DRAFT RED HERRING PROSPECTUS
Dated: January 4, 2023
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Issue

J.G.CHEMICALS LIMITED

Corporate Identity Number: U24100WB2001PLC093380

REGISTERED OFFICE	CONTACT PERSON	EMAIL	TELEPHONE	WEBSITE
34A, Metcalfe Street, Kolkata – 700 013, West Bengal, India.	Swati Poddar *Company Secretary and Compliance Officer*	corporate@jgchem.com	+91 33 4014 0100	www.jgchem.com

OUR PROMOTERS: SURESH JHUNJHUNWALA, ANIRUDH JHUNJHUNWALA AND ANUJ JHUNJHUNWALA

DETAILS OF OFFER

TYPE OF ISSUE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIB, NIB AND RIB
Fresh Issue & Offer for Sale	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,025.00 million	Offer For Sale of up to 5,700,000 Equity Shares aggregating up to ₹ [●] million	₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of SEBI ICDR Regulations.

SHARE RESERVATIONS AMONGST QIBs, NIBs AND RIBs

QIBs	NIBs	RIBs
Not more than 50.00% of the Offer (of which up to 60.00% shall be available for allocation to Anchor Investors)	Not less than 15.00% of the Offer	Not less than 35.00% of the Offer

DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDERS

NAME OF SELLING SHAREHOLDERS	TYPE	NUMBER OF OFFERED SHARES/AMOUNT (IN ₹)	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)
Vision Projects & Finvest Private Limited	Promoter Group	Up to 3,640,000 Equity Shares aggregating up to ₹ [●] million	0.38^
Jayanti Commercial Limited	Promoter Group	Up to 140,000 Equity Shares aggregating up to ₹ [●] million	0.38^
Suresh Kumar Jhunjhunwala (HUF)	Promoter Group	Up to 1,270,000 Equity Shares aggregating up to ₹ [●] million	0.38^
Anirudh Jhunjhunwala (HUF)	Promoter Group	Up to 650,000 Equity Shares aggregating up to ₹ [●] million	0.38^

^ As certified by S. Jaykishan, Chartered Accountants by way of their certificate dated January 4, 2023

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10. The Offer Price, Floor Price and Price Band (determined by our Company in consultation with the Selling Shareholders and the Book Running Lead Managers and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in section titled *"Basis for Offer Price"* on page 118), 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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 32.

COMPANY'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 or inclusion 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. Further, each Selling Shareholder, severally and not jointly, accept responsibility for and confirm that the statements specifically made or confirmed by them in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to them and portion of the Equity Shares offered by them under the Offer for Sale are true and correct in all material respects. None of the Selling Shareholders, assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to the Company or its business or any other Selling Shareholders or any other person, in this Draft Red Herring Prospectus.

LISTING

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

BOOK RUNNING LEAD MANAGERS

Name of the Book Running Lead Managers and their logo	Contact Person	Email and Telephone
CENTRUM CAPTAL LIMITED	Sooraj Bhatia/Pooja Sanghvi	**Telephone:** +91 22 4215 9000 **E-mail:** jgcl.ipo@centrum.co.in
EMKAY GLOBAL FINANCIAL SERVICES LIMITED	Pranav Nagar / Pooja Sarvankar	**Telephone:** +91 22 6612 1212 **E-mail:** jgcl.ipo@emkayglobal.com
KEYNOTE FINANCIAL SERVICES LIMITED	Sunu Thomas	**Telephone:** +91 22 6826 6000 **E-mail:** mbd@keynoteindia.net

REGISTRAR TO THE OFFER

Name of the Registrar	Contact Person	Email and Telephone
KFIN TECHNOLOGIES LIMITED	M. Murali Krishna	**Telephone:** +91 40 6716 2222 / 1800 309 4001 **E-mail:** jgchemicals.ipo@kfintech.com

BID/OFFER PERIOD

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

** Our Company, in consultation with Selling Shareholders and Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date i.e. [●]*

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

J.G.CHEMICALS LIMITED

Our Company was initially formed as a partnership firm on March 15, 1975 under the name "J.G.Chemicals" at West Bengal as a partnership at will which was registered under the Indian Partnership Act, 1932 with the Registrar of Firms, West Bengal in 1983. Subsequently, the partnership firm was converted into a joint stock company and was registered as a private limited company in the name and style "J.G.Chemicals Private Limited" pursuant to a certificate of incorporation dated June 28, 2001, issued by RoC, in accordance with provisions of the Companies Act, 1956. Thereafter, pursuant to a resolution passed at the meeting of the Board of Directors held on March 16, 2022, and a special resolution of the Shareholders at the EGM held on April 30, 2022, the name of our Company was changed to J.G.Chemicals Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated May 24, 2022, consequent upon conversion, was issued by the RoC. For details relating to changes in the name and registered office of our Company, please see section titled "*History and Certain Corporate Matters*" on page 197.

Corporate Identity Number: U24100WB2001PLC093380

Registered Office: 34A, Metcalfe Street, Kolkata – 700 013, West Bengal, India; **Tel:** +91 33 4014 0100; **Contact Person:** Swati Poddar; **Website:** www.jgchem.com; **E-mail:** corporate@jgchem.com

OUR PROMOTERS: SURESH JHUNJHUNWALA, ANIRUDH JHUNJHUNWALA AND ANUJ JHUNJHUNWALA

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF J.G.CHEMICALS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,025.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 5,700,000 EQUITY SHARES AGGREGATING UP TO [●] BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE") COMPRISING UP TO 3,640,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY VISION PROJECTS & FINVEST PRIVATE LIMITED, UP TO 140,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY JAYANTI COMMERCIAL LIMITED, UP TO 1,270,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SURESH KUMAR JHUNJHUNWALA (HUF), AND UP TO 650,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ANIRUDH JHUNJHUNWALA (HUF) (COLLECTIVELY, THE "SELLING SHAREHOLDERS"AND SUCH EQUITY SHARES, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY AND SELLING SHAREHOLDERS IN CONSULTATION THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), MAY CONSIDER UNDERTAKING (I) A FURTHER ISSUE OF EQUITY SHARES, INCLUDING BY WAY OF A PRIVATE PLACEMENT OF EQUITY SHARES, AGGREGATING UP TO ₹ 400.00 MILLION OR; (II) A SECONDARY SALE BY THE SELLING SHAREHOLDERS OF UP TO 28,50,000 EQUITY SHARES; OR (III) A COMBINATION THEREOF, AS PER THE APPLICABLE LIMITS UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, WEST BENGAL AT KOLKATA ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THEN THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE SIZE AND / OR THE OFFER FOR SALE PORTION, AS APPLICABLE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957 AS AMENDED ("SCRR") AND SCHEDULE XVI (1) OF THE SEBI ICDR REGULATIONS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL NEWSPAPER AND [●] EDITIONS OF [●], A BENGALI DAILY NEWSPAPER, BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL WHERE OUR REGISTERED OFFICE IS LOCATED, EACH WTH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contacts (Regulation) Rules, 1957 ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations, through the Book Building Process wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), provided that our Company in consultation with the Selling Shareholders and the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**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 Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. 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 to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than two lakh rupees and up to ten lakh rupees; and (b) two third of such portion shall be reserved for applicants with application size of more than ten lakh rupees, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of non-institutional investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Banks under the UPI Mechanism, as applicable, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details, please see section titled "*Offer Procedure*" on page 360.

RISK IN RELATION TO FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10. The Offer Price, Floor Price and Price Band determined by our Company in consultation with the Selling Shareholders and the BRLMs, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 118 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 or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 32.

COMPANY'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 or inclusion of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The Selling Shareholders, severally and not jointly, accepts responsibility for and confirm that the statements specifically made or confirmed by them in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to them and portion of the Equity Shares offered by them under the Offer for Sale are true and correct in all material respects. None of the Selling Shareholders assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to the Company or its business or any other Selling Shareholders or any other person, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from the BSE Limited and the National Stock Exchange of India Limited for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents, which will be made available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, please see section titled "*Material Contracts and Documents for Inspection*" on page 411.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
Centrum Capital Limited Level 9, Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra, India **Telephone:** +91 22 4215 9000 **E-mail:** jgcl.ipo@centrum.co.in **Investor Grievance E-mail:** igmbd@centrum.co.in **Website:** www.centrum.co.in **Contact Person:** Sooraj Bhatia/Pooja Sanghvi **SEBI registration number:** INM000010445	**Emkay Global Financial Services Limited** The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400 028, Maharashtra, India **Telephone:** +91 22 6612 1212 **E-mail:** jgcl.ipo@emkayglobal.com **Investor Grievance E-mail:** ibg@emkayglobal.com **Website:** www.emkayglobal.com **Contact person:** Pranav Nagar / Pooja Sarvankar **SEBI registration number:** INM000011229	**Keynote Financial Services Limited** The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400 028, Maharashtra, India **Telephone:** +91 22 6826 6000 **E-mail:** mbd@keynoteindia.net **Investor grievance e-mail:** investors@keynoteindia.net **Website:** www.keynoteindia.net **Contact Person:** Sunu Thomas **SEBI registration number:** INM000003606	**KFin Technologies Limited** Selenium, Tower B, Plot No. 31 and 32 Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032, Telangana, India **Telephone:** +91 40 6716 2222; **Toll Free No.**: 18003094001 **E-mail:** jgchemicals.ipo@kfintech.com **Website:** www.kfintech.com **Investor grievance e-mail:** einward.ris@kfintech.com **Contact Person:** M. Murali Krishna **SEBI registration number.:** INR000000221

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

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

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

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation framed 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 SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made in each such Acts or Regulations.

Notwithstanding the foregoing, terms in the chapters/sections titled "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Basis for Offer Price", "Financial Information", "Outstanding Litigation and Other Material Developments", "Restriction on Foreign Ownership of Indian Securities", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 124, 127, 190, 118, 235, 324, 382, 360 and 384 will have the meaning ascribed to such terms in these respective chapters/sections.

General Terms

Term	Description
"our Company", "the Company" or "the Issuer"	J.G.Chemicals Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office at 34A, Metcalfe Street, Kolkata, West Bengal 700 013, India
"we", "us" or "our"	Unless the context otherwise indicates, our Company and its Material Subsidiary

Company Related Terms

Term	Description
Articles of Association / AoA	Articles of Association of our Company, as amended from time to time
Audit Committee	Audit committee of our Company as described in the section titled "*Our Management*" on page 203
Auditors / Statutory Auditors	The current statutory auditor of our Company, namely, S. Jaykishan, Chartered Accountants
BDJ Oxides	BDJ Oxides Private Limited
BDJ Speciality Chemicals	BDJ Speciality Chemicals Private Limited
Board/Board of Directors	Board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof
CARE	CARE Advisory Research & Training Limited
CARE Report	Report titled "*Report on Zinc Oxide Industry*" dated December 2022, prepared by CARE, commissioned and paid for by our Company, exclusively in connection with the Offer
Chief Financial Officer or CFO	The chief financial officer of our Company, being Anuj Jhunjhunwala
Chief Executive Officer or CEO	The chief executive officer of our Company, being Anirudh Jhunjhunwala
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company, being Swati Poddar
Corporate Social Responsibility Committee / CSR Committee	The corporate social responsibility committee of our Company as described in section titled "*Our Management*" on page 203

Term	Description
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Executive Chairman	The executive chairman of our Company, being Suresh Jhunjhunwala
Executive Directors	Executive directors of our Company. For further details of the Executive Directors, please see section titled "*Our Management*" on page 203
Group Companies	Our group companies as disclosed in section titled "*Our Group Companies*" on page 230
Independent Director(s)	Independent director(s) on our Board. For details of the Independent Directors, please see section titled "*Our Management*" on page 203
IPO Committee	The IPO committee of our Company as described in section titled "*Our Management*" on page 203
Key Management Personnel	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations and as disclosed in section titled "*Our Management – Key Managerial Personnel*" on page 223
Managing Director	The managing director of our Company, being Anirudh Jhunjhunwala
Material Subsidiary	The material subsidiary of our Company in terms of Regulation 16(1) of the SEBI Listing Regulations, being BDJ Oxides Private Limited
Materiality Policy	The materiality policy adopted by our Board on November 17, 2022, for identification of the: (a) material outstanding litigation proceedings; (b) Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company as described in section titled "*Our Management*" on page 203
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. However, SEBI vide its letter dated December 21, 2022, bearing reference number SEBI/ERO/P/OW/2022/63138/1 granted an exemption from classifying the relevant persons, their connected and transacting entities as a part of our Promoter Group. For details, please see the section titled "*Our Promoters and Promoter Group*" on page 225
Promoters	Promoters of our Company namely, Suresh Jhunjhunwala, Anirudh Jhunjhunwala and Anuj Jhunjhunwala For details, please see the section titled "*Our Promoters and Promoter Group*" on page 225
Registered Office	Registered office of our company located at 34A Metcalfe Street Kolkata, West Bengal, India
Registrar of Companies/RoC	Registrar of Companies, West Bengal at Kolkata
Restated Consolidated Financial Information	The restated consolidated financial information of our Company and its Subsidiaries which comprises restated consolidated statement of assets and liabilities as at six months period ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the six months period ended September 30, 2022, and the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 and the significant accounting policies and other explanatory information annexed thereto. The restated consolidated financial information, as approved by our Board on November 17, 2022, have been prepared by our Company in accordance with the requirements of: (i) Section 26 of Part 1 of Chapter III of the Companies Act, 2013; (ii) the SEBI ICDR Regulations; and

Term	Description
	(iii) the Guidance Note on Reports in Company Prospectus (Revised 2019) (as amended from time to time) issued by the ICAI.
Risk Management Committee	The Risk Management Committee of our Company as described in the section titled "*Our Management*" on page 203
Selling Shareholders	Collectively, Vision Projects & Finvest Private Limited, Jayanti Commercial Limited, Suresh Kumar Jhunjhunwala (HUF) and Anirudh Jhunjhunwala (HUF)
Shareholders	Equity shareholders of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Company as described in the section titled "*Our Management*" on page 203
Subsidiaries	BDJ Oxides Private Limited and BDJ Speciality Chemicals Private Limited
Whole time Director	Wholetime directors of our Company, being, Suresh Jhunjhunwala and Anuj Jhunjhunwala

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document to be issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the 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 at the end of the Anchor Investor Bid/Offer Period, in terms of the Red Herring Prospectus. The Anchor Investor Allocation Price shall be determined by our Company in consultation with Selling Shareholders and the BRLMs during the Anchor Investor Bid / Offer Period
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Bidding Date	The day, 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 Investor and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company in consultation with the Selling Shareholders and the BRLMs
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the Selling Shareholders and the BRLMs to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations

Term	Description
	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 which shall be determined by the Company, in consultation with the Selling Shareholders and the BRLMs
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, 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), Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in the section titled "*Offer Procedure*" on page 360
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 Bid/Offer Period 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 as per the 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 the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder and, in the case of UPI Bidders Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●], an English national newspaper, [●] editions of [●], a Hindi national newspaper and [●] editions of [●], a Bengali daily newspaper (Bengali being the regional language of West Bengal where our Registered Office is located) each with wide circulation, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published. In case of any revision, the extended Bid/ Offer Closing shall also be notified on the websites and terminals of the Members of the Syndicate as required under the SEBI ICDR Regulations and also intimated to the Designated Intermediaries and the Sponsor Bank(s) Our Company in consultation with the Selling Shareholders and the BRLMs, may consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations which shall also be notified by advertisement in the same newspapers where the Bid/ Offer Opening Date was published, in accordance with the SEBI ICDR Regulations

Term	Description
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 [●], an English national newspaper, [●] editions of [●], a Hindi national newspaper and [●] editions of [●], a Bengali daily newspaper (Bengali being the regional language of West Bengal where our Registered Office is located) each with wide circulation, and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members and also intimated to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations
Bid/Offer Period	Except in relation to any Bids received from 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 the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors Our Company in consultation with the Selling Shareholders and the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with SEBI ICDR Regulations
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, and includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated 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 Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Offer namely, Centrum Capital Limited, Emkay Global Financial Services Limited and Keynote Financial Services Limited
Broker Centres	Broker centres of the Registered Brokers notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com, as updated from time to time
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Successful Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bid/Offer Period
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 revision thereof. Provided that the cap of the price band shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Banker(s) to the Offer for the appointment of the Sponsor Bank(s) in accordance with the UPI Circulars, collection of the Bid Amounts, transfer of funds to the Public Offer Accounts, and where applicable remitting refunds, if any, to the Anchor Investors, on the terms and conditions thereof
Centrum	Centrum Capital Limited
Client ID	Client identification number of the Bidder's beneficiary account maintained with one of the Depositories in relation to the demat account
Cut-off Price	The Offer Price, finalized by our Company, in consultation with the Selling Shareholders and the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders are titled to Bid at the Cut-off Price. QIBs (including

Term	Description
	Anchor Investors) and Non-Institutional Bidders are not titled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, PAN, bank account details and UPI ID wherever applicable
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, and the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instructions issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, 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 the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to UPI Bidders using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by UPI Bidders authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs, SCSBs and RTAs In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs, SCSBs and RTAs
Designated RTA Locations	Such centres of the RTAs where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated January 4, 2023, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the Offer Price and the size of the Offer, including any addendum and corrigendum thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares

Term	Description
Emkay	Emkay Global Financial Services Limited
Escrow Account	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 / Sole Bidder	Bidder whose name appears first 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 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 and which shall not be less than the face value of the Equity Shares
Fresh Issue	The fresh issue of up to [●] Equity Shares by our Company aggregating up to ₹ 2,025.00 million, to be issued by our Company as part of the Offer, in terms of the Red Herring Prospectus and the Prospectus. Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the SEBI circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Gross Proceeds	The Offer proceeds from the Fresh Issue
Keynote	Keynote Financial Services Limited
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId =43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the 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
Net Proceeds	Proceeds of the Offer that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer expenses to the extent applicable to the Fresh Issue For further details about use of the Offer Proceeds and the Offer expenses, please see the section titled "*Objects of the Offer*" on page 100
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors

Term	Description
Non-Institutional Bidders/NIBs	All Bidders that are not QIBs (including Anchor Investors) and Retail Individual Bidders who have Bid for Equity Shares for an amount of more than ₹ [●] (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer comprising [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than two lakh rupees and up to ten lakh rupees; (b) two third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ten lakh rupees; Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] each (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million, comprising of the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated January 4, 2023, entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer of up to 5,700,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders to be offered for sale pursuant to the Offer in terms of the Red Herring Prospectus and the Prospectus. For further details, please see the section titled "*The Offer*" on page 65
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (other than Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company in consultation with the Selling Shareholders and the BRLMs in terms of the Red Herring Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholder. For further details about use of the Offer Proceeds, please see section titled "*Objects of the Offer*" on page 100
Offered Shares	Up to 5,700,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders
Pre-IPO Placement	Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.
Price Band	Price Band of the Floor Price and the Cap Price including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not exceed 120% of the Floor Price. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the Selling Shareholders and the BRLMs and will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●], an English national newspaper, [●] editions of [●], a Hindi national newspaper, and [●] editions of [●], a Bengali daily newspaper (Bengali being the

Term	Description
	regional language of West Bengal where our Registered Office is located), each with wide circulation. It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company, in consultation with the Selling Shareholders and the BRLMs, shall finalize the Offer Price
Prospectus	The Prospectus of our Company to be filed with the RoC for this Offer after the Pricing Date, in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account Bank	The bank with which the Public Offer Account(s) shall be opened and maintained for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Public Offer Account(s)	Bank account(s) opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
QIB Category/QIB Portion	The portion of the Offer, being not more than 50% of the Offer or [●] Equity Shares to be Allotted to QIBs 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 Selling Shareholders and the BRLMs, subject to valid Bids being received at or above the Offer Price)
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus of our Company 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 issued and the size of the Offer including any addenda or corrigenda thereto. The Red Herring Prospectus shall be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank, 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 Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated January 4, 2023, entered amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents or RTAs	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars, issued by SEBI, as per the list available on the websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com, as updated from time to time
Registrar to the Offer or Registrar	KFin Technologies Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the Bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations which shall not be less than the Minimum Bid Lot, subject to valid Bids being received at or above the Offer Price

Term	Description
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), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Share Escrow Agreement	The agreement to be entered into amongst the Selling Shareholders, our Company and a share escrow agent, in connection with the transfer of the respective portion 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 Bid cum Application Forms from the Bidders, a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank(s)	The Banker(s) to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders and carry out any other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in this case being [●]
Stock Exchanges	Collectively, NSE and BSE
Syndicate Agreement	Agreement to be entered into amongst the BRLMs, the Syndicate Members, our Company, the Selling Shareholders and the Registrar to the Offer in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer carry out activities as an underwriter, namely, [●]
Syndicate or Members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
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 the filing of the Prospectus
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion, NIBs Bidding with an application size of more than ₹ 200,000 and up to ₹500,000 in the Non-Institutional Portion and Bidding under the UPI Mechanism Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019

Term	Description
	and the 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, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51dated April 20, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard
UPI ID	Identity document created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders Bidding through the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 respectively, as updated from time to time
UPI Mechanism	The Bidding mechanism that may be used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai and Kolkata are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the 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, as per circulars issued by SEBI, including the UPI Circulars

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual general meeting of Shareholders under the Companies Act
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
APIICL	Andhra Pradesh Industrial Infrastructure Corporation Ltd.
AS/Accounting Standards	Accounting Standards issued by the ICAI
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CC	Cash credit
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number

Term	Description
Civil Code	The Code of Civil Procedure, 1908
CY	Calendar Year
Companies Act / Companies Act, 2013	Companies Act, 2013, together with the rules thereunder
Companies Act, 1956	Erstwhile Companies Act, 1956, and the rules thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	The novel coronavirus disease, which is an infectious disease caused by a newly discovered coronavirus strain that was discovered in 2019 resulting in a public health emergency of international concern and a pandemic as declared by the World Health Organization on January 30, 2020 and pandemic on March 11, 2020
Demat	Dematerialised
Depositories	Collectively, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EBIT	Earnings before interest and tax,
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EU	European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, Government of India
Financial Year/Fiscal/fiscal/ /FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
Finance Act	The Finance Act, 2022 along with the relevant rules made thereunder
Finance Bill	The Finance Bill, 2022
FPI(s)	Foreign portfolio investor(s) as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
FVCI(s)	Foreign venture capital investor(s) as defined and registered under the SEBI FVCI Regulations
GoI/Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectus (Revised 2019), as amended from time to time, issued by the ICAI
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board
Income Tax Act, IT Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
LC	Letter of credit
MIS	Management Information System

Term	Description
Mutual Fund(s)	Mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not Applicable
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian and FPIs
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	An individual resident outside India who is a citizen of India 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
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCI	Other Comprehensive Income
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PLI Scheme	Production Linked Incentive Scheme
R&D	Research and development
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Return on Capital Employed / ROCE	Earnings before interest and taxes for the period/year divided by capital employed, where capital employed is computed as sum of total equity and borrowings (including accrued interest) as at the end of the period/year
Return on Equity / ROE	Profit after tax for the period / year divided by average total equity. Average total equity is calculated as average of opening and closing balance of total equity for the period / year.
RTGS	Real Time Gross Settlement
SBLC	Standby letter of credit
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996

Term	Description
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
State Government	Government of a State of India
STT	Securities Transaction Tax
Systemically Important NBFCs	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. Securities Act / Securities Act	United States Securities Act of 1933, as amended
U.S./USA/United States	United States of America
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.

Industry and Business related terms

Term	Description
Application Industries	Rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed
Belur Facility	Manufacturing facility situated at 189, Girish Ghosh Road, PO- Belurmath, PS-Bally, Howrah - 711 202, West Bengal managed by our Company
CSR	Corporate social responsibility
DG	Diesel generator
Debt Equity Ratio	Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long term debt) and equity share capital plus other equity.
EBITDA	Profit before depreciation, finance cost, tax and amortization
EBITDA Margin (%)	EBITDA margin (%) is calculated as EBITDA divided by Revenue from Operations
EDTA	Ethylene diamine tetra acetic acid
ERP	Enterprise resource planning
GCC Countries	The Gulf Cooperation Council is a political and economic union of Arab states bordering the Gulf. It was established in 1981 and its 6 members are the United Arab Emirates, Saudi Arabia, Qatar, Oman, Kuwait and Bahrain.
GMP	Good manufacturing practice
GWh	Gigawatt hours
FG	Finished goods
IATF	International Automotive Task Force
IP/BP/USP/Ph. Eur.	Indian pharmacopoeia/ British pharmacopoeia/ United States pharmacopeia/ European pharmacopeia
ISO	International Organisation for Standardization
IZA	International Zinc Association
Jangalpur Facility	Manufacturing facility situated at NH-6, Jalan Complex, Biprannapara, PS-Domjur, Howrah-711 411, West Bengal managed by our Company
LME	London Metal Exchange
MT	Metric tonnes
MTPA	Metric tonnes per annum
Naidupeta Facility	Manufacturing facility situated at Plot No. 10, 15 & 16, 17 & 18, APIIC Industrial Park, Attivaram (V), Ojili (M), S.P.S.R. Nellore District – 524 421 managed by our Material Subsidiary
Net Asset Value per Equity Share	Equity attributable to owners of the Company but does not include reserves created out of revaluation of assets, Capital Reserve arising on consolidation,

	write-back of depreciation and amalgamation divided by weighted average numbers of equity shares outstanding during the year / period ended adjusted for the impact of Bonus issue after end of the year/period but before the date of filing of this Draft Red Herring Prospectus.
Net Debt	Net Debt is total of short term borrowing, long term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss 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, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.
OEM	Original equipment manufacturer
Operating Cash Flows	Operating cash flows means net cash generated from operating activities as mentioned in the Restated Consolidated Financial Information
Profit After Tax (PAT)	Profit after tax means profit for the period / year as appearing in the Restated Consolidated Financial Information
PAT Margin (%)	PAT Margin (%) is calculated as PAT for the period/year divided by revenue from operations
QA	Quality assurance
R&D Centre	Research and development centre at Naidupeta Facility
REACH	Registration, evaluation, authorisation and restriction of chemicals
Revenue from Operations	Revenue from sales, service and other operating revenues
RM	Raw material
RoCE (Return on Capital Employed) (%)	RoCE (Return on Capital Employed) (%) is the ratio of EBIT and Capital Employed
ROE (Return on Equity) (%)	ROE (return on equity) (%) is ratio of Profit after Tax and Average Shareholder Equity
SAARC	South Asian Association for Regional Cooperation
Zinc Dross	Zinc dross includes all types of secondary zinc
Zn	Zinc
ZnO	Zinc Oxide

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

Certain Conventions

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

Time

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

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 otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information. The restated consolidated financial information of our Company and its Subsidiaries which comprises restated consolidated statement of assets and liabilities as at six months period ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the six months period ended September 30, 2022, financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the significant accounting policies and other explanatory information annexed thereto. The Restated Consolidated Financial Information, as approved by our Board on November 17, 2022, have been prepared by our Company in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, 2013; the SEBI ICDR Regulations and the ICAI Guidance Note.

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 the context otherwise indicates, any percentage amounts, as set forth in the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 32, 172 and 291 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

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 the percentage figures have been rounded off to two decimal places including percentage figures in the sections titled "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 32, 127 and 172 respectively.

There are significant differences between Ind AS and US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS, please see "*Risk Factor – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus."* on page 60. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP measures like Net Asset Value per Equity Share, Return on Net Worth, EBITDA, EBITDA Margin (%), PAT, PAT Margin (%), Net Debt, RoE, RoCE, Debt Equity Ratio, etc., presented in this Draft Red Herring Prospectus are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP measures, are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America; and
- "EURO" or "EUR" are to Euro, the official currency of the European Union.

Our Company has presented all numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in million. One million represents 1,000,000 and one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other foreign currencies:

Currency	As on September 30, 2022 (₹)	As on March 31, 2022 (₹)	As on March 31, 2021 (₹)	As on March 31, 2020 (₹)
1 USD	81.55	75.81	73.50	75.39
1 EUR	80.11	84.66	86.10	85.05

Source: www.fbil.org.in

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

(ii) Exchange rate is rounded off to two decimal places

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from CARE Report. The CARE Report have been commissioned and paid for by our Company and has been exclusively prepared for the purpose of the Offer and which will be available at https://jgchem.com/governance/ until the Bid/Offer Closing Date, and publicly available information as well as other industry publications and sources. CARE is an independent agency which has no relationship with our Company, our Promoters, any of our Directors or Key Managerial Personnel or the BRLMs. CARE was appointed by our Company pursuant to the engagement letter dated May 4, 2022.

Except for the CARE Report, we have not commissioned any report for purposes of this DRHP and any market and industry related data, other than that derived from the CARE Report, used in this DRHP has been obtained or derived from publicly available documents and other industry sources.

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The excerpts of the industry report are disclosed in the Offer Documents and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors*" on page 32. Accordingly, investment decisions should not be based solely on such information.

The sections "*Offer Document Summary*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" of this Draft Red Herring Prospectus contain data and statistics from the CARE Report which has been commissioned and paid for by our Company for an agreed fee and will be available at our website at https://jgchem.com/governance/ until the Bid/Offer Closing Date, which is subject to the following disclaimer:

"This report is prepared by CARE Advisory Research and Training Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. However, for the purpose of covering the industry overview section of the Offer Documents, extracts from the report may be published wherein the complete content in any particular sentence/chart/table is captured. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorised recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so.

By accepting a copy of this Report or extracts of the report that may be published for the purpose of the Offer Documents, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report."

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks."* on page 53. Accordingly, no investment decision should be made solely on the basis of such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "may", "can", "could", "should", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and 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, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, our exposure to market risks, general economic and political conditions 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 and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. We derive a significant part of our revenue from select customers. If one or more of such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected;

2. Among various Application Industries of our products, our operations are heavily dependent on the rubber and tyre industry;

3. We do not have long term agreements with our customers and rely on purchase orders for delivery of our products. Loss of one or more of our customers or a reduction in their demand for our products could adversely affect our business, results of operations and financial condition;

4. We do not have long-term agreements with our suppliers of raw material;

5. We are heavily dependent on machinery for our manufacturing operations. Any unscheduled, unplanned or prolonged disruption or break-down of our machinery could adversely affect our business, financial results and growth prospects;

6. We may experience loss of, or a decrease in, revenue due to lower manufacturing levels;

7. We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition;

8. A part of our manufacturing facility and our registered office premises, are being utilised by us on leasehold basis and we are subject to terms and conditions imposed on us by the lessor. In any event we are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected;

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

10. Our business is dependent on the sale of one principal product (with multiple variations) i.e. zinc oxide in various grades and any reduction in the demand of the same may have an adverse effect on our business and financial performance.

For further discussion of factors that could cause the actual results to differ from the expectations, please see the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 32, 172 and 291, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward -looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Directors, the BRLMs, the Selling Shareholders, nor any Syndicate member nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. The Selling Shareholders shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Selling Shareholders 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

The following is a general summary of certain disclosures and the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Our Promoters and Promoter Group", "Industry Overview", "Our Business", "Financial Information", "Outstanding Litigation and Other Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 32, 65, 83, 100, 225, 127, 172, 235, 324, 360 and 384, respectively.

Summary of the primary business of our Company

We are India's largest zinc oxide manufacturer in terms of production and revenue for zinc oxide manufacturing through French process, which is the dominant production technology for producing zinc oxide and has been adopted by all the major producers in Americas, Europe and Asia. We sell over 80 grades of zinc oxide and are among the top ten manufacturers of zinc oxides globally. In the last five Fiscals, the tyre production in India has grown at a CAGR of 0.32% *(Source: CARE Report)*, whereas in the same period, we have grown our volumes at a significantly higher CAGR of 12.10%.

Summary of Industry in which our Company operates *(Source: CARE Report)*

India ranked sixth in terms of global chemical sales with a contribution of USD 105 billion and accounted for a share of 2.7% during the year. In terms of volume, the zinc oxide production in India has been around 100 – 115 thousand tonnes in the past 5 years from Fiscal 2018 to 2022. During this period, the Indian zinc oxide market size is estimated at around ₹ 18,000 million to around ₹ 20,000 million. The Indian zinc oxide industry includes limited organized players, who constitute a major portion of the market due to high entry barriers for any new entrant.

Names of Promoters

The Promoters of our Company are Suresh Jhunjhunwala, Anirudh Jhunjhunwala and Anuj Jhunjhunwala. For further details, please see section titled "*Our Promoters and Promoter Group*" on page 225.

Offer Size

Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹ [●] million
of which	
- Fresh Issue(1)^	Up to [●] Equity Shares, aggregating up to ₹ 2,025.00 million
- Offer for Sale(2)	Up to 5,700,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders

^ *Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.*

(1) The Offer has been authorized by a resolution of our Board of Directors dated September 27, 2022, and by a special resolution of our Shareholders in their EGM held on September 28, 2022.
(2) Each Selling Shareholder, severally and not jointly, confirms that the Offered Shares have been held by such Selling Shareholder for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. The Selling Shareholders have consented to participate in the Offer for Sale as set out below:

Sr. No.	Name of the Selling Shareholder	Offered Shares	Date of the consent letter	Date of authorization
1.	Vision Projects & Finvest Private Limited	Up to 3,640,000	January 4, 2023	June 30, 2022
2.	Jayanti Commercial Limited	Up to 140,000	January 4, 2023	June 30, 2022
3.	Suresh Kumar Jhunjhunwala (HUF)	Up to 1,270,000	January 4, 2023	Not Applicable
4.	Anirudh Jhunjhunwala (HUF)	Up to 650,000	January 4, 2023	Not Applicable

The Offer shall constitute [●] % of the post Offer paid up Equity Share capital of our Company. For further details, please see the sections titled "*The Offer*" and "*Offer Structure*" on pages 65 and 356, respectively.

Objects of the Offer

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

Sr. No.	Particulars	Amount (in ₹ million)
1.	Investment in our Material Subsidiary, viz. BDJ Oxides for:	
(i)	repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Material Subsidiary	450.00
(ii)	funding capital expenditure requirements for setting up of a research and development centre situated in Naidupeta;	53.14
(iii)	funding its long-term working capital requirements	650.00
2.	Funding long-term working capital requirements of our Company.	350.00
3.	General corporate purposes*	[●]
	Net Proceeds*	[●]

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

For further details, please see section titled "*Objects of the Offer*" on page 100.

Aggregate pre-Offer Shareholding of Promoters, Promoter Group and Selling Shareholders as a percentage of the paid-up Equity Share capital of our Company

The aggregate pre-Offer shareholding of Promoters, Promoter Group and Selling Shareholders as a percentage of the paid-up Equity Share capital of our Company is as follows:

Name of Shareholder	Pre-Offer	
	No. of Equity Shares	Percentage equity share capital (%
Promoters		
Suresh Jhunjhunwala	3,900,000	12.30
Anirudh Jhunjhunwala	4,160,000	13.11
Anuj Jhunjhunwala	3,900,000	12.30
Total holding of the Promoters (A)	**11,960,000**	**37.71**
Promoter Group		
Alka Jhunjhunwala	4,160,000	13.11
Vision Projects & Finvest Private Limited *	3,640,000	11.48
Jayanti Commercial Limited*	3,185,000	10.04
Anirudh Jhunjhunwala (HUF)*	650,000	2.05
Suresh Kumar Jhunjhunwala (HUF)*	1,300,000	4.10
Alkan Fiscal Services Private Limited	2,600,000	8.20
BDJ Chemicals Private Limited	1,300,000	4.10
Eeshwar Fiscal Services Private Limited	2,925,000	9.22
Total holding of Promoter Group (other than Promoters) (B)	**19,760,000**	**62.29**
Total holding of Promoters and Promoter Group (A + B)	**31,720,000**	**100.00**

** Also the Selling Shareholders*

Summary of Restated Consolidated Financial Information

A summary of the financial information of our Company as per the Restated Consolidated Financial Information is as follows:

(in ₹ million, except otherwise stated)

Particulars	Six months period ended September 30, 2022	Fiscal		
		2022	2021	2020
Equity Share capital	317.20	12.20	12.20	12.20
Net Worth (excludes non-controlling interests)	1,822.35	1,476.58	1,084.77	849.51
Total income	4,322.03	6,230.47	4,404.05	4,072.69
Profit after tax for the year/period	357.13	431.26	287.99	139.53
Earnings per share				
- Basic and Diluted (₹)	10.93*	12.61	7.39	4.08
Net asset value per Equity Share (in ₹)	57.45	46.55	34.20	26.78
Borrowings (including non-current and current borrowings)	538.84	939.41	744.50	524.25

**Not annualised*

Note:

1. *Net Worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*
2. *Earnings per share = Profit after tax / weighted average number of equity shares.*
3. *NAV per Equity Share = Net Worth as of the end of relevant year/ period divided by the number of Equity Shares outstanding at the end of the year / period adjusted for the impact of bonus issue after end of the year/period but before the date of filing of this Draft Red Herring Prospectus.*

For further details, please see section titled "*Restated Consolidated Financial Information*" on page 235.

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

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

Summary of Outstanding Litigation

A summary of outstanding litigations involving our Company, our Subsidiaries, our Promoters, our Directors and our Group Companies which have a material impact on our Company, as on the date of this Draft Red Herring Prospectus is as follows:

(*in ₹ million*)

Particulars	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceeding	Disciplinary actions by SEBI or Stock Exchanges	Material Civil Litigation*	Aggregate amount involved**
Company						
By our Company	Nil	44.08	Nil	Nil	Nil	44.08
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil

Directors (Other than Promoters)						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	0.31	Nil	Nil	Nil	0.31
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By our Subsidiary	Nil	0.87	Nil	Nil	Nil	0.87
Against our Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies						
By our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil

**This comprises the pending proceedings which may have a material impact on our Company, in accordance with the Materiality Policy.*
*** To the extent quantifiable*

For further details, please see section titled "*Outstanding Litigation and Other Material Developments*" on page 324.

Risk Factors

For details of the risks applicable to us, please see section titled "*Risk Factors*" on page 32.

Summary of Contingent Liabilities of our Company

Details of the contingent liabilities of our Company as at September 30, 2022, derived from the Restated Consolidated Financial Information are set forth below:

(in ₹ million)

Particulars	As at September 30, 2022
Disputed amount of Sales Tax / VAT	7.63
Entry Tax	36.91
Total	44.54

For further details, please see section titled "*Restated Consolidated Financial Information – Note no. 39 – Contingent Liabilities*" on page 272.

Summary of Related Party Transactions

A summary of related party transactions entered into by our Company with related parties are as follows:

(in ₹ million)

Nature of Transaction	Transaction Value			
	Six months period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Transactions with key management personnel (KMP) and close member of their family				
Interest Paid on Loan				

Nature of Transaction	Transaction Value			
	Six months period ended September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Anirudh Jhunjhunwala	-	-	0.02	-
Salary				
Anirudh Jhunjhunwala	7.76	16.08	12.74	10.88
Suresh Jhunjhunwala	7.97	16.09	14.31	12.44
Anuj Jhunjhunwala	7.13	13.94	12.06	12.95
Aakriti Jhunjhunwala	1.12	2.49	0.98	-
Swati Poddar	0.28	-	-	-
Buy Back of Shares				
Anirudh Jhunjhunwala	-	10.46	-	-
Suresh Jhunjhunwala	-	5.23	-	-
Anuj Jhunjhunwala	-	4.18	-	-
Aakriti Jhunjhunwala	-	11.50	-	-
Shilpa Jhunjhunwala	-	10.46	-	-
Rent Paid				
Alka Jhunjhunwala	0.09	0.18	0.18	-
Loan Taken				
Anuj Jhunjhunwala	-	-	-	0.15
Anirudh Jhunjhunwala	-	-	1.00	-
Loan Repayment				
Anuj Jhunjhunwala	-	-	-	0.15
Anirudh Jhunjhunwala	-	-	1.00	-
Closing Balance				
Salary Payable				
Anuj Jhunjhunwala	-	0.51	1.97	0.43
Aakriti Jhunjhunwala	-	0.13	-	-
Anirudh Jhunjhunwala	-	0.76	1.83	0.14
Suresh Jhunjhunwala	-	0.39	1.89	0.46
Transaction with entities where KMP or their close member have significant influence or control				
Interest Paid on Loan				
Eeshwar Fiscal Services Private Limited	0.15	0.44	-	-
Anirudh Jhunjhunwala (HUF)	-	-	0.06	-
Crystal Towers Private Limited	-	0.13	-	-
BDJ Impex Private Limited	0.01	-	-	
BDJ Chemicals Private Limited	0.15	0.38	0.01	-
Vision Projects & Finvest Private Limited	-	-	-	0.01
Alkan Fiscal Services Private Limited	0.07	1.88	-	-
Jayanti Commercial Limited	-	0.06	-	-
Interest Received on Loan				
Swarnim Complex Private Limited	-	-	0.10	0.37
BDJ Impex Private Limited	-	-	0.38	0.72
Afford Tie Up Private Limited	0.17	0.33	-	-
Alkan Fiscal Services Private Limited	-	0.22	-	-
Crystal Towers Private Limited	0.05	0.09	-	-
Jayanti Commercial Limited	0.54	0.59	0.02	-

Nature of Transaction	Transaction Value			
	Six months period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Shreeji Merchants Private Limited	-	0.06	-	-
Purchase of Goods				
BDJ Impex Private Limited	-	4.99	13.74	16.89
Rent received				
BDJ Impex Private Limited	0.03	-	-	-
Supply of Goods				
BDJ Impex Private Limited	-	0.02	-	-
Loan Taken				
BDJ Chemicals Private Limited	8.25	18.05	0.70	-
BDJ Impex Private Limited	1.00	0.30	-	2.00
Vision Projects & Finvest Private Limited	-	1.15	-	0.20
Alkan Fiscal Services Private Limited	12.50	68.13	-	-
Jayanti Commercial Limited	-	8.90	8.00	-
Eeshwar Fiscal Services Private Limited	10.00	22.30	-	0.10
Crystal Towers Private Limited	-	7.20	-	-
Anirudh Jhunjhunwala (HUF)	-	-	2.85	-
Suresh Kumar Jhunjhunwala (HUF)	-	-	0.40	-
Loan Given				
Swarnim Complex Private Limited	-		-	1.50
BDJ Impex Private Limited	-		2.75	22.85
Afford Tie Up Private Limited	-	0.20	5.05	-
Alkan Fiscal Services Private Limited	-	8.50	-	-
Crystal Towers Private Limited	-	3.85	-	-
Jayanti Commercial Limited	1.20	11.70	15.00	-
Shreeji Merchants Private Limited	-	-	2.90	
Loan Received back				
Swarnim Complex Private Limited	-		1.20	12.80
BDJ Impex Private Limited	-		8.75	16.85
Afford Tie Up Private Limited	-	1.25	-	
Alkan Fiscal Services Private Limited.	-	8.50	-	-
Crystal Towers Private Limited	0.08	2.70		
Jayanti Commercial Limited	-	6.30	7.95	-
Shreeji Merchants Private Limited	-	2.90	-	
Loan Repayment				
Eeshwar Fiscal Services Private Limited.	10.00	22.30	-	0.10
Jayanti Commercial Limited	-	8.90	8.00	-
Crystal Towers Private Limited.	-	7.20	-	-
BDJ Chemicals Private Limited	8.25	18.05	0.70	-
BDJ Impex Private Limited	1.00	0.30	-	2.00
Vision Projects & Finvest Private Limited	-	1.15	-	0.20
Alkan Fiscal Services Private Limited	12.50	68.13	-	-
Anirudh Jhunjhunwala (HUF)	-	-	2.85	-
Suresh Kumar Jhunjhunwala (HUF)	-	-	0.40	-

Nature of Transaction	Transaction Value			
	Six months period ended September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Rent paid				
Crystal Towers Private Limited	6.20	6.45	3.36	0.75
BDJ Impex Private Limited	2.52	2.33	-	-
Swarnim Complex Private Limited	-	0.84	0.72	-
BDJ Chemicals Private Limited	0.62	1.20	-	-
Security Deposit Paid				
Crystal Towers Private Limited	-	1.33	0.75	0.50
BDJ Impex Private Limited	-	0.95	-	-
BDJ Chemicals Private Limited	-	0.30	-	-
Security Deposit - Received				
BDJ Impex Private Limited	-	0.02	-	-
Advance Received				
BDJ Impex Private Limited	-	-	4.36	2.31
Advance Refunded				
BDJ Impex Private Limited	-	-	4.36	2.31
Legal & Professional Services				
Eeshwar Fiscal Services Private Limited	-	-	1.20	-
Vision Projects & Finvest Private Limited	-	1.80	-	-
Advertisement & Publicity				
Good News Media Private Limited	-	1.75	1.60	-
Security Deposit Received Back				
Crystal Towers Private Limited	-	-	0.50	-
Closing balance as on March 31, 2022				
Security Deposit				
Crystal Towers Private Limited	2.08	2.08	0.75	0.50
BDJ Impex Private Limited	0.02	0.02	-	-
BDJ Chemicals Private Limited	0.30	0.30	-	-
Loan given				
Swarnim Complex Private Limited	-	-	-	1.20
BDJ Impex Private Limited	-	-	-	6.00
Afford Tieup Private Limited	4.00	4.00	5.05	-
Crystal Towers Private Limited	1.08	1.15	-	-
Jayanti Commercial Limited	13.65	12.45	7.05	-
Shreeji Merchants Private Limited	-	-	2.90	-
Interest receivable				
Swarnim Complex Private Limited	-	-	-	0.33
BDJ Impex Private Limited.	-	-	1.00	0.65
Interest Payable				
BDJ Impex Private Limited	-	-	-	0.01

Nature of Transaction	Transaction Value			
	Six months period ended September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Investment				
Swarnim Complex Private Limited	0.10	0.10	-	-
Transaction between our Company and the Subsidiaries				
Interest Received on Loan				
BDJ Oxides Private Limited	4.13	15.08	10.52	12.82
BDJ Speciality Chemicals Private Limited	-	-	-	0.02
Purchase of Goods				
BDJ Oxides Private Limited	45.22	91.03	102.19	18.28
Sale of Goods				
BDJ Oxides Private Limited	4.07	5.75	37.88	31.85
Sale of Fixed Asset				
BDJ Oxides Private Limited	0.09	-	-	-
Miscellaneous Income				
BDJ Oxides Private Limited	0.21	-	-	-
Shared Service Allocation				
BDJ Oxides Private Limited	6.90	-	-	-
Loan Given				
BDJ Oxides Private Limited	443.50	346.50	93.90	188.50
BDJ Speciality Chemicals Private Limited	-	-	-	6.50
Loan Received back				
BDJ Oxides Private Limited	224.00	416.50	93.90	188.50
BDJ Speciality Chemicals Private Limited	-	-	-	6.50
Investment				
BDJ Speciality Chemicals Private Limited	-	-	-	17.40
Advance Received				
BDJ Speciality Chemicals Private Limited	-	-	2.85	-
Advance Refunded				
BDJ Speciality Chemicals Private Limited	-	-	2.85	-
Closing balance as on March 31, 2022				
Loan Given				
BDJ Oxides Private Limited	219.50	-	70.00	70.00
Interest receivable				
BDJ Oxides Private Limited	-	-	9.73	11.54
BDJ Speciality Chemicals Private Limited	-	-	-	0.02

Nature of Transaction	Transaction Value			
	Six months period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Investment				
BDJ Oxides Private Limited	10.93	10.93	10.93	10.93
BDJ Speciality Chemicals Private Limited	17.40	17.40	17.40	17.40
Transactions between the Subsidiaries				
Interest Paid on Loan				
BDJ Speciality Chemicals Private Limited	-	0.05	-	-
Purchase of Old Machineries				
BDJ Speciality Chemicals Private Limited	-	-	2.24	-
Purchase of Land				
BDJ Speciality Chemicals Private Limited	-	-	14.20	-
Loan Taken				
BDJ Speciality Chemicals Private Limited	-	3.05	-	-
Loan Repayment				
BDJ Speciality Chemicals Private Limited	-	3.05	-	-

For details of the related party transactions and as reported in the Restated Consolidated Financial Information, please see section titled *"Restated Consolidated Financial Information – Note no. 38 – Related Party Transactions"* on page 268.

Weighted average price at which the specified securities were acquired by our Promoters, members of our Promoter Group and Selling Shareholders, in the last one year preceding the date of this Draft Red Herring Prospectus

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

Name of the acquirer/shareholder	Date of allotment / acquisition / transfer	Number of Equity Shares	Weighted Average Price per Equity Share*
Promoters			
Suresh Jhunjhunwala	June 21, 2022	3,750,000	Nil
Anirudh Jhunjhunwala	June 21, 2022	4,000,000	Nil
Anuj Jhunjhunwala	June 21, 2022	3,750,000	Nil
Promoter Group			
Alka Jhunjhunwala	June 21, 2022	4,000,000	Nil
Vision Projects & Finvest Private Limited**	June 21, 2022	3,500,000	Nil
Jayanti Commercial Limited**	June 21, 2022	3,062,500	Nil
Anirudh Jhunjhunwala (HUF)**	June 21, 2022	625,000	Nil
Suresh Kumar Jhunjhunwala (HUF)**	June 21, 2022	1,250,000	Nil
Alkan Fiscal Services Private Limited	June 21, 2022	2,500,000	Nil
BDJ Chemicals Private Limited	June 21, 2022	1,250,000	Nil

Name of the acquirer/shareholder	Date of allotment / acquisition / transfer	Number of Equity Shares	Weighted Average Price per Equity Share*
Eeshwar Fiscal Services Private Limited	June 21, 2022	2,812,500	Nil

** As certified by S. Jaykishan, Chartered Accountants, by way of their certificate dated January 4, 2023.*
*** Also the Selling Shareholders*

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

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

Name	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
Promoters		
Suresh Jhunjhunwala	39,00,000	0.38
Anirudh Jhunjhunwala	41,60,000	0.36
Anuj Jhunjhunwala	39,00,000	0.38
Selling Shareholders		
Vision Projects & Finvest Private Limited	36,40,000	0.38
Jayanti Commercial Limited	31,85,000	0.38
Anirudh Jhunjhunwala (HUF)	650,000	0.38
Suresh Kumar Jhunjhunwala (HUF)	13,00,000	0.38

** As certified by S. Jaykishan, Chartered Accountants, by way of their certificate dated January 4, 2023.*

For further details regarding acquisition of Equity Shares of our Promoters, see "*Capital Structure – Build-up of the shareholding of our Promoters in our Company*" at page 87.

Details of pre-Offer Placement

Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.

Financing arrangements.

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives (*as defined in Companies Act*) 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.

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

Except for bonus issue of Equity Shares undertaken by our Company on June 21, 2022, as disclosed in this Draft Red Herring Prospectus, our Company has not issued any Equity Share for consideration other than cash in last one year from the date of this Draft Red Herring Prospectus. For details regarding the bonus issue of Equity Shares, please see section titled "*Capital Structure*" on page 83.

Split / Consolidation of Equity Shares in last one year

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

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

Our Company had filed an application dated June 22, 2022, with SEBI seeking an exemption under Regulation 300(1)(b) and (c) of the SEBI ICDR Regulations, from classifying (i) Sushil Kumar Jhunjhunwala; (ii) Ramesh Jhunjhunwala; (iii) Dinesh Jhunjhunwala; (iv) Rakesh Jhunjhunwala; (v) Pradeep Jhunjhunwala and (vi) Raj Kumari Agarwal ("**Relevant Persons**"), their connected entities and transacting entities, as members of our Promoter Group and including relevant disclosures, confirmations and undertakings in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in relation to the same. SEBI vide its letter dated December 21, 2022, bearing reference number SEBI/ERO/P/OW/2022/63138/1 approved our application and granted us the exemption sought therein.

SECTION III: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors together with all other information set forth 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 below are not the only risks that we currently face or are relevant to us, our Equity Shares, the industry in which we operate or to India or the other geographies in which we sell our products. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, prospects, results of operations, cashflows and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages 127, 172 and 291, respectively, as well as the financial statements, including the notes thereto, and other financial, statistical and other information included elsewhere in this Draft Red Herring Prospectus. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us", "Company" or "our Company" means J.G. Chemicals Limited and our Subsidiaries.

If any or some combination of the following risks, or other risks that are not currently known to us or believed to be adverse, actually occur, our business, results of operations, cashflows and financial condition could suffer, and the trading price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision with respect to this Offer, you must rely on your own examination of our Company, our business, and the terms of this Offer, including the merits and risks involved and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening or exacerbating the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see section titled "Forward-Looking Statements" on page 20.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Information. For further details, please see section titled "Financial Information" on page 235.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Report on Zinc Oxide Industry" dated December 2022 (the "**CARE Report**") exclusively prepared and issued by CARE Advisory Research & Training Limited and commissioned & paid for by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Please see section titled "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 18.*

Internal Risk Factors

1. ***We derive a significant part of our revenue from select customers. If one or more of such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

We are engaged in the sale of over 80 grades of zinc oxide which caters to a wide spectrum of industrial applications including in the rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed. Over the last three years, we marketed and sold our products to more than 50 global customers in over 10 countries and to more than 200 domestic customers. Our top 10 customers contributed ₹ 3,177.58 million, ₹ 4,634.99 million, ₹ 3,337.20 million and ₹ 3,136.39 million constituting 74.76%, 75.63%, 76.67% and 78.53% of our revenue from operations, in six months period ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. We expect that we will continue to rely on our existing customers for the foreseeable future for a significant part of our revenues. Accordingly, any failure on our part to retain these customers and/or successfully engage with these select customers, could adversely affect our business, financial condition, reputation and results of operations. In addition, insolvency or financial distress or any default or delay in payments by any major customer may have an adverse impact on business, financial condition and results of operations.

Further, we will also be subjected to costs relating to holding our inventory should any of our customers discontinue procurement of our products from us, which will lead to our working capital getting locked in such unsold inventory having a consequent adverse impact on our results of operations and financial conditions. While we have never experienced such events, there is no assurance that such events may not occur in future.

Cancellation of orders by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can also result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity.

2. Among various Application Industries of our products, our operations are heavily dependent on the rubber and tyre industry.

Zinc oxide manufactured by our Company finds application in a number of industries in India viz., rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed and our revenue from operations is directly linked to the performance of the industries in which our product finds application.

The rubber industry is directly related to automobile industry and the tyre industry accounts for around 70% of rubber consumption in India *(Source: CARE Report).* The rubber industry is the biggest consumer of our products contributing ₹ 3,811.10 million, ₹ 5,521.60 million, ₹ 3,882.86 million and ₹ 3,590.53 million constituting 89.66%, 90.10%, 89.20% and 89.90% of our revenue from operations for the six months period ended September 30, 2022, Fiscals 2022, 2021 and 2020, respectively. Amongst the various constituents of the rubber industry, the tyre industry is critical to our business. The tyre industry contributed ₹ 3,533.27 million, ₹ 5,012.95 million, ₹ 3,530.27 million and ₹ 3,294.98 million constituting 83.12%, 81.80%, 81.10% and 82.50% of our revenue from operations for the six months period ended September 30, 2022, in Fiscals 2022, 2021 and 2020, respectively.

Demand from the replacement segment dominates the Indian tyres market contributing about 55% of the total volume, while the OEMs account for the rest 45%. Consumption by OEMs is dependent on new automobile sales trend while the replacement segment is linked to usage patterns and replacement cycles *(Source: CARE Report)*. The replacement segment of the tyre industry was a major consumption source in India and had a high demand in the industry until Fiscal 2019, however, the trend reversed as the pandemic hit and there was a decline in the sales numbers *(Source: CARE Report).* Despite a slow growth of our biggest end-use industry customer, we have been able to augment our revenues. However, we cannot assure you that our results of operations and financial conditions would not be adversely impacted in case of any slowdown in the automotive sector.

We have recently expanded our manufacturing facility in Naidupeta for the production of zinc sulphate and also intend to gradually increase the production of pharmaceutical grade zinc oxide, with an intention to diversify our existing product portfolio by adding new products which are synergistic with our existing products and chemistries. However, we cannot assure that we will be able to reduce our dependence on the rubber industry in general & tyre industry in particular in the near future to acceptable levels or at all.

Our future performance will depend to a significant extent on the performance of the automobile industry, which may get affected by a number of macro and micro economic conditions, and other factors including (i) government policies; (ii) shortage of semi-conductors due to geo-political reasons; (iii) disruption/ disturbance in shipping channels; and (iv) prevailing regulatory environment. Any downturn in the automobile industry may have a direct adverse impact on our results of operations and financial condition.

In relation to other end-use industries, the demand for our products and margin of our products is dependent on and directly affected by factors affecting such industries. Accordingly, our failure to effectively adapt to such end-use industry related disruptions, could adversely affect our business, results of operations and financial condition.

3. We do not have long term agreements with our customers and rely on purchase orders for delivery of our products. Loss of one or more of our customers or a reduction in their demand for our products could adversely affect our business, results of operations and financial condition.

We do not enter into long-term agreements with our customers. We rely on purchase orders to govern the volume and other terms of our sale of products to our customers. Many of the purchase orders we receive from our customers specify a price per unit and the delivery schedule. While we believe that our relationship with our customers has been built over time and few of our customers have conferred the status of a preferred supplier on us, resulting in repeat orders from such customers, our relationship with our customers is on a non-exclusive basis and accordingly, our customers may choose to cease sourcing our products and source alternative options which exposes us to a significant increased risk of customer attrition. Absence of any long term contracts or contractual exclusivity with respect to our business arrangements with such customers poses a challenge on our ability to continue to supply our products to these customers in future. Further, the number of purchase orders that our customers place with us differ from quarter to quarter, which has caused our revenues, results of operations and cash flows to fluctuate in the past and we expect this trend to occasionally continue in the future.

Additionally, our customers have high and stringent standards for product quantity and quality as well as delivery schedules and any failure to meet our customers' expectations and specifications could result in cancellation of orders or the risk of the customer not placing any subsequent orders or might place orders for lesser quantity. There are also a number of factors, other than our performance, that could cause the loss of a customer such as, (a) increase in prices of raw materials and other input costs resulting in an increase in the price of our products; (b) changes in customer requirements and preferences; (c) changes in governmental or regulatory policy; (d) slowdown in the customer's industry due to any reasons; and (e) change in technology. Any of these factors may have an adverse effect on our business, results of operations and financial condition.

In addition, all our decisions, with respect to production schedules, capacity expansions, personnel requirements and other resource requirements are based on our estimates of our customer orders. If we underestimate or overestimate the demand from our customers, our entire planning and decision-making would be adversely affected, which could result in the loss of business leading to an adverse effect on our results of operations and financial condition.

4. We do not have long-term agreements with our suppliers of raw material.

During the six months period ended September 30, 2022 and Fiscal 2022, Fiscal 2021 and Fiscal 2020, our cost of materials consumed amounted to ₹ 3,398.35 million, ₹ 5,062.84 million, ₹ 3,454.48 million, and ₹ 3,394.34 million, constituting 79.95%, 82.61%, 79.36% and 84.99% of our revenue from operations, respectively. The primary raw materials used for our manufacturing process are virgin zinc metal and Zinc Dross which we source domestically as well as internationally. We always maintain a reasonable amount of inventory across all our facilities and have a stable supply of raw materials, which enables us to blend different compositions of Zinc Dross to produce the required grade of zinc oxide and supply the same as per the specifications provided by our customers. However, we usually do not enter into long-term supply contracts with our suppliers of Zinc Dross and typically, source Zinc Dross from domestic and international third-party suppliers, including steel galvanizers by way of issuing purchase orders or by participating in online auctions. The terms and production volumes of our raw material supplies are negotiated at the time of issuance of purchase order and the pricing is either determined on a spot basis or linked to a formula basis the LME pricing of zinc.

Although, the price of our finished goods is linked to the price of our raw materials, i.e. the LME pricing of zinc, yet, the absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations.

In addition, while we estimate the demand of our products, and accordingly plan our production volumes, any shortage in the supply of our raw materials, may also result in our estimates going wrong which could result in either surplus of raw materials, which may result in additional storage cost and may not be sold in a timely manner or deficit of raw materials leading to our inability to meet our customer requirements and product demand, resulting in a reduction in our profit margins.

In addition, absence of long-term contracts with our raw materials suppliers may also lead to our delivery/ production estimates being adversely affected. Our business depends on estimate of the medium, long-term demand for our products from our customers, which has a direct co-relation to the supply of our raw materials. If we are unable to secure the raw materials in a timely manner and at expected terms and conditions, we may not be able to achieve the production demands of our customers, which could result in the loss of business. While we estimate the demand for our products and accordingly plan our production volumes, any error in our estimate could also result in surplus or shortage of raw materials, which may not be sold in a timely manner. Shortage of raw materials would lead to our estimates being adversely affected, resulting in loss of our business and an adverse impact on our results of operations, cash flows and financial condition.

5. ***We are heavily dependent on machinery for our manufacturing operations. Any unscheduled, unplanned or prolonged disruption or break-down of our machinery could adversely affect our business, financial results and growth prospects.***

We conduct our operations at our manufacturing facilities located at Jangalpur and Belur in West Bengal and at Naidupeta in Andhra Pradesh in India. In addition to our existing facilities and with a view to diversify our product portfolio into zinc sulphate and allied products business, we have recently set up a new zinc sulphate and other allied chemicals unit, near our existing manufacturing facility located in Naidupeta in the state of Andhra Pradesh.

Our business is dependent on our ability to efficiently manage our manufacturing facilities, which is subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions (including heavy rainfall), natural disasters and infectious disease outbreaks such as the COVID-19 pandemic resulting in unplanned slowdowns and/or shutdowns. Any significant malfunction or breakdown of our machinery, our equipment, our automation systems or any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations.

If we are unable to repair & restore our Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. Although we have backup for certain critical equipment such as blowers, blenders and collection systems, and appropriate spare parts, we cannot assure that such machinery will be of the same quality, or we will be able to procure the necessary spare parts in a timely manner, when such equipment fails. Our inability to timely rectify our Manufacturing Assets or procure spare parts in a timely manner, may result in operational downtime. In case, we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our business.

6. ***We may experience loss of, or a decrease in, revenue due to lower manufacturing levels.***

Our average capacity utilisation across all our manufacturing facilities for our products has been around 65.71%, 63.44%, 61.94% and 71.45% of our total installed capacity per annum in the six months period ended September 30, 2022 and Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. For further details on our installed capacities, please see section titled "*Our Business- Manufacturing Facilities*" on page 182. We cannot assure you that we will achieve higher manufacturing capacities than we have achieved in the past and will be able to achieve optimal capacity utilisation at our existing manufacturing facilities.

The capacity utilisation at our manufacturing facilities is subject to various factors such as availability of raw materials, power, efficient working of machinery and equipment and optimal production planning. Higher capacity utilisation is critical to achieving higher revenues and profitability. If we are unable to achieve and, consistently maintain, higher levels of capacity utilisation or if our capacity utilisation falls below the current levels, our revenues and profitability could be adversely affected. In addition, lower manufacturing capacity could also adversely impact our ability to attract additional customers and grow our business. We cannot assure you that we will successfully implement new technologies effectively or adapt our systems to emerging industry standards. In addition, we may be required to shut down certain facilities for capacity expansion and equipment upgrades.

7. ***We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition.***

We rely on third party transportation and logistics providers for procurement of our raw materials and supply of our products to our customers. We do not have any long-term contractual arrangements with such third-party transportation and logistics providers and engage their services, as and when required, on spot basis. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations. Freight carriage, freight and forwarding expense and export freight charges also form a part of our expenses. During the six months period ended September 30, 2022 and Fiscal 2022, Fiscal 2021 and Fiscal 2020, our packing materials amounted to ₹ 18.83 million, ₹ 35.71 million, ₹ 24.62 million, and ₹ 21.86 million constituting 0.49%, 0.63%, 0.62% and 0.56%

of our total expenses, respectively and our carriage outwards amounted to ₹ 47.44 million, ₹ 63.28 million, ₹ 51.24 million, and ₹ 49.54 million representing 1.24%, 1.12%, 1.28% and 1.28% of total expenses, respectively. We are subject to the risk of increases in freight costs as we export our products through the sea as well. Freight costs fluctuate with the prices of oil & gas. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, financial condition and results of operations. While we believe we have adequately insured ourselves against the risk involved in maritime transport, we may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents and/or loss of our products in transit. While there have been no material instances of theft, accident or loss in the past three years, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, financial condition and results of operations.

8. ***A part of our manufacturing facility and our registered office premises, are being utilised by us on leasehold basis and we are subject to terms and conditions imposed on us by the lessor. In any event we are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected.***

While our manufacturing facilities in Belur and Jangalpur are on a land owned by our Company, a part of our manufacturing facilities in Naidupeta in Andhra Pradesh admeasuring approximately 2 acres is on a land that is leased from the Andhra Pradesh Industrial Infrastructure Corporation Ltd. ("**APIICL**") vide a lease deed executed on May 13, 2021, for a term of 33 years with an option to buy the land, subject to payment of additional 20% of one time premium for the land or extend the lease period to 99 years without any additional premium, after 10 years of successful business operation from the date on which the lease deed was executed. The use of the manufacturing facility in Andhra Pradesh is, therefore, subject to terms and conditions imposed on us by the APIICL, which may be unilaterally amended and our ability to negotiate terms may be limited. We will be required to obtain the consent / approval of the APIICL for any future construction of any structure or building other than the factory building. In any case, if our land lease is not renewed or is terminated by the APIICL, we may be required to relocate our business operations or shut down our manufacturing facilities, we may suffer a significant disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Further, our Registered Office is also situated on leased premises. We cannot assure you that we will be able to renew our lease 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 and we cannot assure that we will be able to identify and move to new premises within a reasonable period of time and/ or that new arrangements will be on commercially acceptable terms. For further details, please see section titled "*Our Business - Properties*" on page 188.

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

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances including zinc oxide and raw materials used to produce zinc oxide, such as, virgin zinc metal, Zinc Dross and certain other materials that we use in production that are corrosive, hazardous and toxic chemicals, and we are required to obtain approvals from various authorities for storing hazardous substances. Further, we also generate, store and use hazardous wastes and permissible quantity of emissions at all our manufacturing facilities. We are, therefore, subject to operating risks associated with handling of such chemicals and any mishandling could lead to environmental damage, accidents and damage to property and equipment. Liabilities incurred as a result of these events have the potential to adversely affect our reputation with suppliers, business associates, regulators, employees and the public, which could, in turn, affect our financial condition and business performance. While we maintain general insurance against these liabilities, insurance proceeds may not be adequate to fully cover the substantial liabilities, lost revenues or increased expenses that we might incur.

Further, any of these occurrences may result in the shutdown of any of our manufacturing facilities and expose us to civil and / our executive directors to criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder.

10. ***Our business is dependent on the sale of one principal product (with multiple variations) i.e. zinc oxide in various grades and any reduction in the demand of the same may have an adverse effect on our business and financial performance.***

As on the date of this Draft Red Herring Prospectus, our business primarily, revolves around sale of over 80 grades of zinc oxide. Our revenue from operations contributed by the sale of all types/ grades of zinc oxide was ₹ 4,247.26 million, ₹ 6,125.07 million, ₹ 4,339.90 million and ₹ 3,976.14 million for the six months period ended September 30, 2022 and in the Fiscals 2022, Fiscal 2021 and Fiscal 2020, which translates to 98.27%, 98.30%, 98.54% and 97.63%, of our total income, respectively. However, with an intention to expand our production capacity as well as diversify our product portfolio, the installed capacity at our existing manufacturing facility located in the state of Andhra Pradesh has recently been augmented by 13,440 MTPA for production of zinc oxide and 10,080 MTPA for producing zinc sulphate and other allied chemicals.

Factors affecting the manufacturing and sale of zinc oxide, or any of our customers in particular, could have a cascading adverse effect on our business, financial condition and results of operations. Such factors include, but are not limited to, the following:

- slowdown in our end-use industries, especially the tyre industry;
- change in any registration requirements or non-renewal of registrations or imposition of a regulatory ban, or trade sanctions imposed across the country or any such restrictions on the business or product or customer's final product;
- loss of market share, which may lead our customers to reduce or discontinue the purchase of our products due to any reason, including changes in technology;
- economic conditions of the markets in which our customers operate;
- regulatory issues faced by the rubber, pharmaceuticals, agrochemicals, cosmetics and other end-use industries in India and internationally; and
- downturns or industry cycles that impact demand.

For any of the above reasons or for any other reason whatsoever, in the event sales of our primary product, zinc oxide, were to substantially decrease, our business, financial condition and results of operations could be adversely affected.

11. ***If any new products that we produce are not as successful as we anticipate, our business, cash flows, results of operations and financial conditions may be adversely affected.***

In accordance with our strategy to diversify our product offerings and enter into new verticals, we have recently expanded our manufacturing facility in Naidupeta for the production of zinc sulphate and other allied chemicals, to meet the expected significant demand for zinc sulphate from the southern part of India. Further, we intend to gradually increase the production of pharmaceutical grade zinc oxide and have already obtained the requisite licenses for the same. We also intend to cater to the demand for active zinc oxide grade, which is extensively used in electronics, high-end specialty chemicals and other niche applications, petroleum and environmental protection industries as well as other zinc based chemicals and nutrients which find application in agriculture, micro-nutrients and zinc based feeds & additives.

Although we follow a careful plan and strategy to develop our products, the development of such new products is subject to a number of risks including, but not limited to, (a) our failure to develop products that meet market demands and market requirements; (b) our failure to comply with applicable laws and regulations; (c) failure to obtain the relevant approvals from regulatory bodies on a timely basis; and (d) failure to recover costs incurred in developing these products or earn adequate profits and profit margins. In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market demand for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the research and development of such product. If any of our new products are not as successful in gaining market acceptance as we anticipate, contrary to our projections or future growth expectations, our goodwill and reputation may be affected, which could adversely affect our business, cash flows, results of operations and financial condition. Further, the future expansion to our product portfolio may place a strain on our management, operational and financial resources, which could also adversely affect our business. We intend to further strengthen our relationships with existing customers who may drive high volume orders on an ongoing basis, however we cannot assure you that we will be able to execute these strategies on time and within our estimated budget, or that it will increase our profitability.

12. ***The extent to which the outbreak of COVID – 19 could have an impact on our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.***

The outbreak of COVID-19 resulted in a period of business disruption as well as restrictions on business activity and the movement of people comprising a significant portion of the world's population, and a decrease in economic activity in a number of countries, including India. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. As a result of the detection of new mutated strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we cannot assure you that we will not be subject to further reinstatements of lockdown protocols or other restrictions, and the COVID-19 pandemic may continue to affect our business, results of operations and financial condition, in the future, in a number of ways such as:

- Disruptions or restrictions on our ability to conduct, our manufacturing operations. For example, on account of the lockdown, our operations were temporarily shut down for a period of 14 days at our Jangalpur and Naidupeta facilities and a period of 135 days at our Belur Facility. Any future restrictions on our workforce's access to any of our manufacturing facilities and the health and availability of our workforce could limit our ability to meet customer orders and have a material adverse effect on our business, results of operations and financial condition.
- Some of our employees have also been infected with the COVID-19 virus during the pandemic and may continue to contract such infections in future as well. Accordingly, we may lose key management and employee personnel hours due to COVID-19 related illness and related issues in the future.
- We rely on many suppliers and contractors. Although, we have not faced challenges to obtain materials and supplies at present, but in relation to some materials and supplies, there was a significant spike in its prices during the peak COVID-19 periods in the last financial year compared to earlier years. We cannot assure that such spike in material prices due to COVID-19 induced restrictions in future. Increases in prices of raw materials could have a material adverse effect on our business, results of operations and financial condition.
- Our business may be affected by a variety of external factors that may affect the price or marketability of our products, changes in interest rates that may increase our funding costs and reduced demand for our products due to economic conditions.

The extent to which the COVID-19 pandemic and the related global economic impact, affect our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope, duration of the COVID-19 pandemic and the intensification or escalation of the COVID-19 pandemic due to any future outbreak of another highly infectious or contagious strain or variant, the effectiveness of further steps taken by the GoI, state governments and other authorities, to mitigate the economic impacts in response to the pandemic, the effects on our customers, counterparties, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels. As of the date of this Draft Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business.

13. ***There are pending litigations against our Company, our Subsidiaries and certain of our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.***

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

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries and Directors, as disclosed in section titled "*Outstanding Litigation and Material Developments*" on page 324 in terms of the SEBI ICDR Regulations as of the date of this Draft Red Herring Prospectus is provided below:

(in ₹ million)

Particulars	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceeding	Disciplinary actions by SEBI or	Material Civil Litigation*	Aggregate amount involved**

				Stock Exchanges		
Company						
By our Company	Nil	44.08	Nil	Nil	Nil	44.08
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors (Other than Promoters)						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	0.31	Nil	Nil	Nil	0.31
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By our Subsidiary	Nil	0.87	Nil	Nil	Nil	0.87
Against our Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

**This comprises the pending proceedings which may have a material impact on our Company, in accordance with the Materiality Policy.*
*** To the extent quantifiable*

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. Our Company is in the process of litigating these matters, and based on the assessment in accordance with applicable accounting standard, our Company has presently not made provision for any of the pending legal proceedings. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products and services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with our Company. We cannot assure you that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

14. ***Non-compliance with and changes in safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.***

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, processing, handling, storage, transport or disposal of hazardous substances including employee exposure to hazardous substances and other aspects of our manufacturing operations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further details of the key regulations applicable to our business, please see section titled "*Key Regulations and Policies in India*" on page 190. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our manufacturing activities and the improper handling or storage of these materials could result in accident at our facilities which may result in personal injury or loss of life, environmental damage, damage of property and equipment. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facility may release into the air and water. While there have been no instances of loss of property, life or accidents that may have occurred in the past, we cannot assure you that such instances may not happen in the future.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production, or a material increase in the costs of production.

The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to legal proceedings, which could have an adverse impact on our profitability in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

Further, as on the date of this Draft Red Herring Prospectus, our Company has not commenced the civil and construction work in relation to the upgradation of our R&D centre. For further details, please see section titled "*Objects of the Offer*" on page 100. We do not require any further licenses / approvals from any governmental authorities at this stage of the proposed upgradation of our R&D Centre, however, we will have to apply for the necessary approvals that we may require at future stages and we cannot assure you that we will be granted such approvals.

15. Our name and logo are not registered as a trademark. If we are unable to protect our intellectual property rights, our business, financial condition and results of operations may be adversely affected.

As on the date of this Draft Red Herring Prospectus, we have not obtained trade mark registration of our name and logo. We have applied for registration of the name of our Company, "JG Chemicals" and our subsidiary, "BDJ" under Class 2 in terms of The Trademarks Act, 1999. The applications are currently under review. Further, we cannot guarantee that our application for registration of the trademarks will be granted by the relevant authority or that there will not be instances where such applications are contested and/or objections are raised by third parties. In the event that we are unable to successfully defend such challenges or objections, we may be unsuccessful in obtaining the registration of our trademarks. In the absence of obtaining registration of these trademarks, we may not be able to initiate an infringement action against any third party infringing on our trademarks. Additionally, the use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business, goodwill and confidence in us.

While our agreements with our employees and consultants include confidentiality provisions and provisions on ownership of intellectual property, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, our intellectual property including our proprietary products, technology, systems and processes and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our proprietary products and processes and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavour, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks. In addition, our trade secrets may become known, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products. Technical expertise is one of the key entry barriers in our industry and our dedicated focus on developing specialty products, customized to the specific needs of our customers, is one our competitive strengths. If our technical know-how is leaked to our competitors, it could significantly affect our competitive advantage and adversely affect our financial condition and business prospects.

We may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly, and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, result in costly litigation and divert management's attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

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

Success of our operations also depends on availability of labour and maintaining cordial relationships with our labour force. As of October 31, 2022, we had 105 employees (excluding trainees), more than 100 workmen (labour) and trainees and 49 contract workers working in our manufacturing facilities. As of the date of this Draft Red Herring Prospectus, our employees are not members of any organised labour unions. Notwithstanding, strikes and lockouts as a result of disputes with our labour force may adversely affect our operations, which may have an impact on our production levels. While we have not had instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

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

17. We have negative cash flows used in operating activities in the financial year ended March 31, 2021.

We have experienced negative net cash flows of ₹ 73.46 million used in operating activities after working capital changes, in the financial year ended March 31, 2021. We cannot assure you that we will not experience negative cash flows in the future and such negative cash flows could adversely affect our financial condition and trading price of our Equity Shares in the future. In addition, negative cash flows could impact our ability to service our debt obligations in a timely manner and also require to assume additional debt obligations which would in turn increase our interest expense.

18. Procurement of raw materials from overseas countries exposes us to risks relating to foreign exchange fluctuation and commodity pricing.

Our manufacturing operations require a large quantity of raw materials, a significant quantity of which are sourced / procured from international suppliers. The availability of Zinc Dross, which is one of the major primary raw materials for the manufacturing of zinc oxide, is relatively lower than its total requirement in domestic market. The availability of Zinc Dross is indispensable in manufacturing of zinc oxide and is integral to our manufacturing process. We, therefore, import Zinc Dross from international suppliers, as and when required, by placing purchase orders with our suppliers.

Our sales from exports for six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, have been ₹ 417.04 million, ₹ 545.08 million, ₹ 386.90 million and ₹ 379.37 million, respectively, comprising of 9.87%, 8.96%, 8.92% and 9.54%, of sale of our finished goods for the corresponding period. The table below sets forth the foreign currency trade receivables and trade payables position for six months period ended September 30, 2022 and in for Fiscals 2022, 2021 and 2020:

Exposure to currency risk	**Currency**	**Six months period ended September 30, 2022 (Amounts in million)**	**Fiscal 2022 (Amounts in million)**	**Fiscal 2021 (Amounts in million)**	**Fiscal 2020 (Amounts in million)**
Trade receivables (unhedged)	USD	0.97	0.82	1.45	0.78
Trade receivables (unhedged)	EURO	0.26	-	-	-
Trade payables (unhedged)	USD	0.69	0.03	0.30	0.04

Our sales from export and import of raw materials are denominated in foreign currencies, primarily, the U.S. Dollar. Our financial statements, however, are prepared in Indian Rupees. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We are exposed to fluctuations in zinc oxide price arising on purchase, manufacturing and sale of zinc oxide and inventory of zinc oxide lying with us. To manage the variability in fair value, we enter into derivative financial instruments, which are primarily in the nature of future commodity contracts, to manage the risk associated with zinc oxide price fluctuations relating to the highly probable forecasted transactions. Our Company designates certain derivatives as hedging instruments in respect of commodity price risk in cash flow hedges and fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established. While we enter into arrangements to minimize our currency exchange risks, we cannot assure you that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. For further details on our exchange rate risk management, please see section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Results of Operations – Foreign Currency Exchange Risk*" on page 319.

19. Conditions and restrictions imposed on us by the agreements governing our indebtedness and our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and cash flows.

We have incurred indebtedness of ₹ 671.46 million as of December 31, 2022 and we may avail debt facilities in the future to run our business. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Further, our existing financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, and require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders, inter alia, to:

- Declare or pay dividends in respect of any financial year, if any event of default has occurred;
- Effect any merger, amalgamation, reconstruction or consolidation;
- Change or alter in any way the capital structure of the borrower;
- Effect any material change in shareholding of the borrower;
- Effect any material change in our management/ ownership;
- Invest by way of deposits or loans or in share capital of any other company;
- Undertake guarantee obligation on behalf of third party or any other company; and
- Create or permit to subsist any encumbrance, mortgage or charge over all or any of our secured assets.

We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or comply with such covenants or other covenants in the future. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Our failure to meet our obligations under the debt financing agreements, including our repayment obligations under the financing arrangements could have an adverse effect on our business, results of operations, cash flows and financial condition. For details in connection with our indebtedness, please see section titled "*Financial Indebtedness*" on page 322.

Further, these debt obligations are typically secured by a combination of security interests over our assets, including our manufacturing assets and hypothecation of movables and future receivables. The security allows our lenders to inter alia sell the relevant assets in the event of our default.

Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase, and we may become subject to additional conditions from our lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or our lenders could decline to lend to us under such agreements. Further, we cannot assure you that we will be able to raise additional financing in a timely manner on favourable terms, or at all. Any failure in the future to obtain necessary financing could result in a cash flow mismatch and adversely impact our growth plans. Any of these factors could have an adverse effect on our business, financial condition, our cash flows and results of operations.

20. ***Our Statutory Auditor have included certain emphasis of matters/ other matters paragraphs in the audit reports.***

Our Statutory Auditors have included certain emphasis of matters in the examination report on our Restated Consolidated Financial Information for the Fiscal 2020:

The audit report dated December 3, 2020 on the consolidated financial statements of the Company for the year ending March 31, 2020 contained the following emphasis of matter:

"We draw attention to Note No. 31 of the Financial Statements, which describe the economic impact, the Company is facing due to outbreak of Corona Virus Disease (COVID- 19).

Our opinion is not modified with respect to this matter."

While the emphasis of matter does not require any additional adjustments to the Restated Consolidated Financial Information, there is no assurance that our audit reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which affect our results of operations in such future periods. Investors should consider the remarks and statements in evaluating our financial condition, results of operations and cash flows. For further details, please see section titled "*Restated Consolidated Financial Information*" on page 235. Any such remarks or statements in the audited financial or reports in the future may also adversely affect the trading price of the Equity Shares.

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

Our Promoters have provided personal guarantees to lenders for our borrowings. If any of these guarantees are revoked, our lenders may require alternative guarantees or cancel such loans or facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees which are satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or we may have to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company's borrowings. For further details, see section titled "*Financial Information*" and "*Financial Indebtedness*" on pages 235 and 322, respectively.

22. ***We operate in a competitive industry. Any inability to compete effectively may lead to a lower market share or reduced operating margins.***

We operate in a competitive industry with a few organised manufacturers that produce competing products, both in India and internationally. Some of our competitors may have greater financial resources, better distribution network, technical and marketing resources and generate greater revenues, and therefore may be able to respond better to market changes than we can. In the last three Fiscals, we have increased our global footprint to sell our products globally and as of Fiscal 2022, we export to over 10 countries. Our foreign competitors may be able to supply similar products at lower prices due to proximity to our customers, larger scale of operations and export benefits provided in their respective countries. Further, our customers operate within highly competitive industries, where they are constantly required to adapt to factors such as changing consumer preferences, consolidation and the entry of new regional and local players who constantly exert downward pricing pressure. We may be adversely affected in case our customers are unable to effectively respond to any such factors. For details, please see section titled '*Our Business – Competition'* on page 187. As a result, to remain competitive in the market we must, in addition, to meet exacting quality standards, continuously strive to reduce our production and distribution costs and improve our operating efficiencies and innovate our products offering. If we fail to do so, it may have an adverse effect on our market share and results of operations. Many of our competitors may be larger than us and may benefit from greater economies of scale and operating efficiencies. We cannot assure you that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition, and results of operations. Moreover, the competitive nature of the manufacturing industry may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

23. ***The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business, financial condition and results of operations.***

Our sales from exports for six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020 were ₹ 417.04 million, ₹ 545.08 million, ₹ 386.90 million and ₹ 379.37 million, respectively, comprising of 9.87%, 8.96%, 8.92% and 9.54%, of sale of our finished goods for the corresponding period. Over the last three years, we marketed and sold our products to more than 50 global customers in over 10 countries. Therefore, any developments in the global zinc oxide industry or the industries in which our customers operate could have an impact on our sales from exports. Further, with a view to further diversify our export customer base and increase our exports, we also intend to augment our sales in the foreign markets where we sell our products thereby, increasing our market share in the existing geographies. For further details, please see section titled "*Our Business-Strategies*" on page 179.

However, there are a number of risks in doing business abroad such as risks with respect to interest rate and foreign currency fluctuations, different tax and regulatory environments, changes in social, political and economic conditions, the need to recruit personnel combining product skills and local market knowledge, obtaining the necessary clearances and approvals to set up business and competing with established players in these regions and cost structures in international markets, including those in which we sell our products, that are significantly different from those that we have experienced in India. For instance, we require various approvals, licenses, registrations and permissions for supplying our products to our overseas customers such as the REACH registration with ECHA, for supplying our products to the European Union and other similar registrations with regulatory bodies of various countries. Authorities in different jurisdictions may impose their own requirements or delay or refuse to grant approval, even when our product has already been approved in another country. While, in the past we have not faced any non – compliance of any regulatory requirements in case we fail to comply with applicable statutory or regulatory requirements in the future, there could be a delay in the submission or grant of approval for marketing new products, which we intend to introduce to enhance our product portfolio. For further details, please see section titled "*Our Business*" on page 172. Additionally, the approval process for a new product is complex, lengthy and expensive in the international markets where we sell our products. The time taken to obtain approval varies from country to country, and is significantly dependent on that particular country, the customers and the nature of the products for which approval is sought. Further, there may be certain developments in the industries in which our customers operate which in turn may have an impact on our sales from exports. There may be imposition of certain tariffs, quotas and other tariff and non-tariff trade barriers on our products in jurisdictions in which we operate or seek to sell our products and we may face trade restrictions in the jurisdictions where we operate. We cannot assure you that the countries 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, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have a material adverse effect on our business, financial condition and results of operations.

These risks may impact our ability to expand our exports in different regions and otherwise achieve our objectives relating to our export operations, which is primarily concentrated in South-East Asia, at present. Expansion into a market outside of our current operation could require significant capital expenditures and have a material effect on our capital structure and financial condition. If we pursue an international expansion opportunity, we could face internal or external risks, including, without limitation compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and limits on the repatriation of funds. We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we have business operations. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Furthermore, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. If we are unable to successfully develop or manage our international operations, it may limit our ability to grow our international business.

24. ***Our Promoters and Promoter Group will, even after the culmination of this Offer, continue to be our largest Shareholders and can influence the outcome of resolutions, which may potentially involve conflicts of interest with the other Equity Shareholders.***

Currently, our Promoters and members of our Promoter Group hold the entire paid-up- Equity Share Capital of our Company and they will continue to hold a significant percentage of our Equity Share Capital after the completion of this Offer. For details of shareholding of our Promoters and Promoter Group, please see the section titled "*Capital Structure*" on page 83. While there is no shareholder's agreement in place between our Promoters and members of our Promoter Group, they will nevertheless, collectively, have the ability to significantly influence our corporate decision-making process. This will include the ability to appoint Directors on our Board and the right to approve significant actions at the Board and at the Shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements and any amendment to the constitutional documents. We cannot assure you that the interest of our Promoters and members of our Promoter Group in any such scenario will not conflict with the interest of other Shareholders or with our interests. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business effectively or in the best interests of the other Shareholders of our Company.

25. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors and our senior management as well as our ability to attract and retain skilled personnel. Any loss of our Directors, senior management or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations.***

Our success largely depends upon the knowledge and experience of our Promoters, Directors, our senior management as well as our ability to attract and retain skilled personnel. Any loss of our Directors or senior management or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our senior management. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our senior management personnel are unable or unwilling to continue in his or her present position, we cannot assure that we will be able to find a suitable replacement in a timely manner or at all.

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

There is significant competition for highly skilled personnel in the chemicals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. We cannot assure you that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Our overall attrition rate of employees for the six months period ended September 30, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020 was 14.66%, 21.48%, 12.03% and 15.12%. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to retain or attract such members or are unable to locate suitable or qualified replacements, our results of operations may be adversely affected.

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

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. For further details, please see section titled "*Government and Other Approvals*" on page 328. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewal. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business and operations may be adversely affected.

Amongst the laws that we must adhere to, environmental, health and safety laws and regulations are the most critical laws. These include laws and regulations that limit the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of hazardous waste materials, amongst others. Our compliance with these laws and regulations and obtaining the necessary governmental permits is often a prerequisite for our customer orders. Significant fines and penalties may be imposed for non-compliance with such environmental laws. We are also inspected at regular intervals by environmental protection agencies, such as state pollution control boards, to ensure our compliance with applicable laws and regulations. We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits may require us to purchase and install pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses, registrations and approvals could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

27. ***Any non-compliance or delay in RoC filings may expose us to penalties from the regulators.***

As a Company, we are required to file various forms with the RoC under the provisions of the Companies Act, 2013, including but not limited to form CHG-1 in respect of the security created by our Company for the financing facilities availed by us. However, there has been an instance in the past where such CHG-1 form was not filed with the RoC with respect to a vehicle loan availed by us.

There has also been an instance in the past wherein, form MR-1 filed with the RoC, in respect of return of appointment of managerial personnel, was not in compliance with the applicable rules. However, the same has been re-filed with appropriate fees. We cannot assure you that such delays will not occur in future and such delay in filing the forms and / or any non-compliance may expose our Company to fines and penalties from RoC.

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

We develop, manufacture and market zinc oxide. The manufacturing of zinc oxide goes through various quality checks at various stages including random sampling and quality check by internal as well as external agencies, for instance, few of our customers. However, failure of our products to meet prescribed quality standards may result in rejection and replacement of our products. This may further result in our customers cancelling present or future purchases of our products and could adversely affect our business, financial condition and results of operations.

All our manufacturing facilities have been accredited with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 certifications. Our subsidiary, BDJ Oxides is the only zinc oxide company in India with an IATF certification *(Source: CARE Report).* As an exporter of our products to Europe, our subsidiary, BDJ Oxides, has also obtained the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals, Regulation (EC) No. 1907/2006) certification. Receipt of certifications and accreditations under the standards of quality is important for the success and wide acceptability of our products. To ensure continued accreditation with such agencies, we must ensure consistency and maintain the quality of our products and our manufacturing processes. While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, financial condition and results of operations.

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

Government regulations and policies of India as well as our exports markets can affect the demand for, expenses related to and availability of our products. We expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and use of products by our customers may have an adverse impact on our operations. We may be required to alter our manufacturing, sales & distribution process and target new markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us. We cannot assure you that we will be able to comply with such regulatory requirements. For details regarding certain key regulations applicable to our business in India, please see section titled "*Key Regulations and Policies in India*" on page 190. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations, and permissions once received, the relevant regulatory body may suspend, curtail, or revoke our ability to market such products and/ or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

30. ***The objects of the Offer include funding long-term working capital requirements of our Company and investment in Material Subsidiary for its long-term working capital requirements which are based on certain assumptions and estimates.***

The objects of the Offer include funding long-term working capital requirements and investment in Material Subsidiary for its long-term working capital requirements which are based on management estimates and certain assumptions in relation to inter alia sales of our products in the future, the cost and holding periods of inventories of raw materials and finished goods as well as capacity utilisation. For further details, please see section titled "*Objects of the Offer*" on page 100. The working capital requirements and deployment of funds may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements and deployment of proceeds may not be indicative of the actual requirements of our Company and its Subsidiaries in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

31. ***The amount of non-controlling interest in our audited consolidated Ind AS financial statements for the financial year ended March 31, 2022, has been revised in our Restated Consolidated Financial Information***

Our Material Subsidiary *viz.* BDJ Oxides completed the buyback of its equity shares in the month of November 2021, pursuant to which the shareholding of our Company in BDJ Oxides increased from ~75% to ~95% thereby reducing the non-controlling interest portion from ~25% to ~5%. However, consequent upon change in shareholding pattern, the amount of non-controlling interest in the audited consolidated Ind AS financial statements of our Company for the year ended March 31, 2022, was not revised prior to the finalization of the audited consolidated Ind AS financial statements for the financial year March 31, 2022 and was erroneously calculated on non-controlling interest portion of ~25%. The said audited consolidated Ind AS financial statements for the financial year March 31, 2022 were adopted by the board of directors of our Company at its meeting held on August 18, 2022 and the shareholders at the annual general meeting of the Company held on September 8, 2022 and has been filed with the RoC in form AOC-4 as a part of compliance under the Companies Act.

The said error was identified at the time of finalization of the Restated Consolidated Financial Information and the amount of non-controlling interest has been revised from ₹ 136.53 million and now recorded correctly at ₹ 40.20 million for the year ended March 31, 2022 in the Restated Consolidation Financial Information included in this Draft Red Herring Prospectus. For further details, please see section titled "*Financial Information*" on page 235. While we believe that this error was inadvertent and subsequently rectified in the Restated Consolidated Financial Information, we have not done so for the aforementioned audited consolidated Ind AS financial statements. While no action has been initiated in this regard, we cannot assure you that action will not be initiated in the future and any adverse action as a consequence could have a material adverse effect on our business and our financial conditions.

32. ***Our performance may be adversely affected if we do not manage our inventory or working capital successfully.***

We conduct business with our customers primarily on the basis of purchase orders that are placed from time to time. Consequently, there is no commitment on the part of such customers to continue to place new purchase orders with us and as a result, our revenue and consequent cash flow may fluctuate significantly from time to time. The fluctuation in demand for our products may either require us to increase production or decrease production and/ or inventories at a short notice, which may result in us bearing additional costs and incurring losses. While we maintain a reasonable level of inventory of raw materials, work in progress and finished goods, if we underestimate demand or have inadequate production and/or storage capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business. We have implemented Tally software, pursuant to which various financial, analytical and MIS reports are generated to evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on estimated customer order activity. Efficient inventory management is important to our business and in order to be successful, we must maintain sufficient inventory levels to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If a customer defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result in increase in our working capital requirements. If we are unable to meet our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, financial condition and results of operations.

33. ***Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business. Further, our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, financial condition and results of operations.***

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

- Expand our production capacities and broadening the footprint of manufacturing operations;
- Further diversify our product offerings and enter new verticals;
- Deep mining of existing customers and continued focus to expand customer base; and
- Increasing focus on R&D to support complex chemistries, product innovation and cost efficiencies.

For further details, please see section titled "*Our Business – Strategies*" on page 179.

Our strategies may not succeed due to various factors, including our inability and failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to effectively market new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, financial condition and results of operations. For further details of our strategies, please see section titled "*Our Business*" on page 172.

Further, our ability to sustain growth depends primarily upon our ability to manage issues such as our ability to sustain existing relationships with our customers, ability to obtain raw materials at current or better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues and implement our business strategies may adversely affect our business growth and, as a result, impact our businesses, financial condition and results of operations.

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

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

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

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

35. Our Promoters and certain of our Directors may be interested in our Company other than remuneration and reimbursement of expenses.

Our Promoters and certain of our Directors, while managing the day to day operations, are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding and benefits such as dividends arising therefrom and benefit arising from purchase of property. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner. While our Promoters and Directors believe that they act in the benefit and best interest of our Company, we cannot assure you that they will continue to do so. For details, please see sections titled "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 225 and 203, respectively. Also please see "*Restated Consolidated Financial Information-Related Party Transactions - Note no. 38 -*" on page 268.

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

A potential conflict of interest may occur between our Promoters, Directors, Subsidiaries and Group Companies which may have interest in companies in the similar line of business as our Company. For example, BDJ Oxides Private Limited, which is one of our Subsidiary, BDJ Impex Private Limited, one of our Group Companies have certain common pursuits with our Company**.** While presently these businesses do not compete with our Company, and accordingly there is no conflict of interest, we cannot assure you that our Promoters, Directors, their related entities and our Group Companies will not compete with us in the future. While our Company will adopt necessary procedures and practices as permitted by law to address any conflict situation as and when they arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

37. We had availed moratorium on our financial facilities.

In view of the global pandemic in Fiscal 2020 and 2021, the Reserve Bank of India vide its circular dated March 27, 2020 permitted the lenders to allow a moratorium for three months of equated monthly instalments, falling due between March 01, 2020 and May 31, 2020 (later extended by an additional three months up to August 31, 2020) for various categories of loans. We had availed the permitted moratorium for our term loans availed from Bank of Baroda, pursuant to which the repayment of the interest due from us were made a part of the principal amount for the period from March 31, 2020 to July 31, 2020, for an aggregate amount of ₹ 2.94 million. Our Company has paid all its due equated monthly instalment within the extended moratorium period. Considering the present uncertainty due to COVID-19 and various variants, we cannot assure you that we will not require such moratorium or rescheduling of loan in future. In case, we face such financial difficulties and we are not offered, or are unable to avail, such moratorium or procure the rescheduling of the then outstanding financial facilities on reasonable terms, our cash flows and may be constrained, we may default on our obligations and our financial conditions and operations may be adversely affected.

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

We depend upon information technology systems and third party software, including internet-based systems, for our business operations, and these systems facilitate the flow of real-time information across departments and allows us to make information driven decisions and manage performance. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. While we have not experienced any significant disruptions of information technology systems or breaches of data security, any such disruption may result in the loss of key information and disrupt our operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others.

39. ***We may not be able to secure additional funding in the future. In the event our Company is unable to obtain sufficient funding, it may delay our growth plans and have a material adverse effect on our business, cash flows and financial condition.***

From time to time, our Company's plans may change due to changing circumstances, new business developments, new challenges or investment opportunities or unforeseen contingencies. If our plans change or if we are required to adapt to changing circumstances or business realities, our Company may need to obtain additional financing to meet inter alia capital expenditure. Such financing may be in the form of debt funding, which may be raised through borrowings from commercial banks, issue of debentures or other debt securities. If we raise funds in future by incurring additional debt, the interest and debt repayment obligations of our Company will increase, and we may be subject to supplementary or new covenants, which could limit our ability to access cash flow from operations and/or other means of financing. Moreover, these additional funds could come at a higher cost which may impact our profitability. Further, we cannot assure you that we will be able to obtain adequate financing to fund future capital requirements on acceptable terms, in time.

40. ***Any downgrade of our debt ratings could adversely affect our business.***

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

Particulars	Instrument or rating type	Total Amount of bank loan facilities (in ₹ million)	Date	Ratings
J.G.Chemicals Limited	Long term fund based	600.00	June 14, 2022	CRISIL A-/ Stable (upgraded from CRISIL BBB+/Stable)
	Short term fund based			CRISIL A2+ (upgraded from CRISIL A2)
BDJ Oxides Private Limited	Long term fund based	1,100.00	July 19, 2022	CRISIL A-/ Stable (Assigned)
	Short term fund based			CRISIL A2+ (Assigned)

Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and our ability to meet our repayment obligations in a timely manner. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our 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.

41. ***Delays or defaults in payments from our customers could result in reduction of our profits.***

Credit risk is the risk of financial loss that we face if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In the ordinary course of business, we provide our customers with certain credit periods as part of our payment terms. While we generally limit the credit we extend to our customers based on their financial condition and payment history, we may still experience losses because of a customer being unable to pay. We are exposed to credit risk from our operating activities, primarily from trade receivables. The average receivable days as of September 30, 2022 was 50 days. As at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, we had outstanding trade receivables aggregating ₹ 1,177.52 million, ₹ 947.71 million, ₹ 897.95 million and ₹ 499.55 million, respectively, constituting 27.70%, 15.46%, 20.63% and 12.51%, respectively, of our revenue from operations during the respective periods. Further, our trade receivable turnover ratio as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 was 7.22 times, 6.47 times, 4.85 times and 8.00 times, respectively. Further, as of September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, trade receivables aggregating to ₹ 10.43 million, ₹ 9.64 million, ₹ 10.06 million and ₹ 2.89 million, were due for more than 6 months.

Our results of operations and profitability depends on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely manner, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Further, any increase in our receivable turnover days or write-offs will negatively affect our business. Any default or delays in payment of receivables by our customers may have adverse effect on cash flows, results of operations and financial condition.

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

The table below sets forth details of contingent liabilities as of the last three Fiscals and as of six months period ended September 30, 2022:

(in ₹ million)

Particulars	As of six months period ended September 30, 2022	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020
Disputed amount of Sales Tax / VAT	7.63	7.63	8.58	9.21
Income Tax	-	-	-	23.76
Entry Tax	36.91	36.91	36.91	36.04

While most of these contingent liabilities have been incurred in the normal course of business, if these were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, results of operations and financial condition. For further details, please see section titled "*Restated Consolidated Financial Information – Note no. 39- Contingent Liabilities*" on page 272. Further, we cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future.

43. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

Our operations may be subject to incidents of theft or damage to inventory in transit and prior to or during warehouse stocking. While we have not experienced any instance of theft, fraud, employee negligence and resultant loss in the past, the business may encounter some inventory loss on account of employee theft, vendor fraud and general administrative error, in the future. While we have obtained the burglary insurance policy, we cannot assure you that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition and that the current insurance will be sufficient to cover the losses. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, theft of confidential information such as manufacturing processes, customers and product formulations, could adversely affect our results of operations and financial condition.

Further, we closely monitor our employees to check any misconduct, including acts of bribery, corruption or fraud by employees or executives, but such acts could include binding us to transactions that exceed authorized limits or present unacceptable risks, or they may hide unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our business and our reputation.

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For further details, please see section titled "*Restated Consolidated Financial Information- Note no. 38- Related Party Transactions*" on page 268.

While all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions that we may enter into with our related parties could potentially involve conflicts of interest which may be detrimental to us. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI Listing Regulations, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

45. ***We have a high working capital requirement and if we are unable to raise sufficient working capital our operations will be adversely affected.***

Our business operations are subject to high working capital requirements. Currently, we meet our working capital requirements through a mix of internal accruals and working capital facilities from scheduled commercial banks. As on December 31, 2022, we had sanctioned working capital facilities aggregating ₹ 1,490.00 million of which ₹ 566.74 million is outstanding. While we believe that our internal accruals and working capital facilities availed from our lenders will be sufficient to address our working capital requirements, we cannot assure you that we will continue to generate sufficient internal accruals and / or be able to raise adequate working capital from lenders to address our future needs. Our inability to meet our present or enhanced working capital requirements will have an adverse impact on our results of operation, business and financial condition. For further details pertaining to our present working capital position, please see sections titled "*Financial Indebtedness*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 322 and 291, respectively.

46. ***Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the chemicals industry and to the sale and maintaining inventory of products, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. As of six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, we carried an insurance coverage of ₹ 1,628.01 million, ₹ 1,396.68 million, ₹ 1,005.23 million and ₹ 910.50 million, respectively with coverage ratio of 1.55, 1.18, 1.41 and 1.38 times of the net assets of our Company as at the end of six months period ended September 30, 2022, the Fiscals 2022, 2021 and 2020, respectively.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, to the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations and financial condition could be adversely affected. In addition, our insurance policies expire from time to time and we may not be able to renew our policies in a timely manner, or at acceptable cost or at all. In case any uninsured loss occurs, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss.

We cannot assure you that, in the future, 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. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies.

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

Information relating to the historical installed capacity of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, sanctioned capacities approved by the state pollution control board and certificate issued by Jayam Consultants Private Limited, Independent Chartered Engineer. Actual production volumes and capacity utilisation rates may differ significantly from the estimated production capacities and capacity utilisation of our manufacturing facilities. Investors should therefore not place undue reliance on our installed capacity information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

For details of certain information relating to our capacity utilisation of all our manufacturing facilities, calculated on the basis of total installed production capacity and actual production as of/ for the periods, please see section titled "*Our Business – Capacity and Capacity Utilisation*" on page 183.

48. ***Our manufacturing facilities are dependent on adequate and uninterrupted supply of electricity, water and fuel. Any shortage or non-availability of such essential utilities could lead to disruption in operations, higher operating cost and consequent decline in our operating margins.***

Our Company is heavily dependent on continuous supply of electricity, other fuel and water which are critical to our manufacturing operations. During the six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, the cost of power and fuel was ₹ 149.18 million, ₹ 195.82 million, ₹ 129.63 million, and ₹ 130.82 million, for each respective period which accounted for 3.51%, 3.20%, 2.98% and 3.28% of our revenue from operations, respectively. While we have entered into agreements with local electricity distribution companies for the supply of electricity and maintain diesel-generator sets, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Any shortage or non-availability of essential utilities could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability. Further, we currently source our water from local water supply body and there can be no assurance that such supply will not be adversely impacted in the future. Any failure on our part to obtain alternate sources of electricity, fuel, or water, in a timely manner, and at an acceptable cost, may cause a slowdown or interruption to our production process and have an adverse effect on our business, financial condition and results of operations. Further, the recent increase in the prices of fuel and electricity may result in an increase in our electricity and fuel expenses which may have increase our operating cost in general and may have an adverse impact on our business, financial condition and results of operations.

49. ***Certain sections of this Draft Red Herring Prospectus contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

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

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Further, the CARE Report is not a recommendation to invest / disinvest in any company covered in the CARE Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CARE Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CARE Report before making any investment decision regarding the Offer. Please see section titled "*Industry Overview*" on page 127. For the disclaimers associated with the CARE Report, please see section titled "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 18.

50. We have included certain financial and operational performance indicators, non-GAAP measures and certain other industry measures related to our operations and financial performance. These operational metrics, non-GAAP measures and industry measures may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other peer companies.

We have included certain financial and operational performance indicators, including EBITDA, EBITDA Margin, PAT, PAT Margin, Net Worth, Net Debt, Debt Equity Ratio, Return on Equity and Return on Capital Employed (collectively, the "**Key Performance Indicators**" or "**KPI**") in this Draft Red Herring Prospectus. The KPIs are supplemental measures of our operations and financial performance and are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP, and are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our measures for the applicable period of measurement. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business and financial operations. Also, please see section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*" and "*Basis for Offer Price*" on pages 296 and 118.

Further, the KPI are not a measurement of our operations and financial performance under Ind AS or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or IFRS, as reported in our Restated Consolidated Financial Information. Although such KPI are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. The KPI may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and has limited usefulness as a comparative measure.

51. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and are based on management estimates.

Our funding requirements set out in the section titled '*Objects of the Offer'* beginning on page 100 are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency. Our funding requirements are based on our current business plan and may vary based on various factors including macro-economic and other changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilisation of proceeds from the Offer may also change. This may also include rescheduling the proposed utilisation of Net Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilise the proceeds from the Offer for certain objects of the Offer. We may make necessary changes to utilisation of Net Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilisation of the Net Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

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

We propose to utilise the Net Proceeds towards repayment/ prepayment, in full or part, of certain borrowings availed of by our Material Subsidiary, funding capital expenditure requirements for setting-up R&D centre, funding long-term working capital requirements of our Material Subsidiary, funding long-term working capital requirements of our Company and general corporate purposes. For further details of the proposed objects of the Offer, please see section titled "*Objects of the Offer*" on page 100. 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 the competitive environment, business conditions, economic conditions or other factors beyond our control. However, we have not entered into any definitive agreements and do not have any definite and specific commitments towards the aforementioned purposes for which our Company intends to use the Net Proceeds. Further, the Net Proceeds are intended to be utilised by the Company only and none of the members of our Promoter Group or Group Companies will receive any portion of the Net Proceeds. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds would require Shareholders' approval by passing a special resolution and our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business.

53. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for setting-up a research and development centre at our Naidupeta Facility, Andhra Pradesh and if the costs of setting up and the risk of unanticipated delays in implementation and cost overruns related to the said upgradation are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.

We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for setting up a research and development centre situated within the premises of our manufacturing facility in Naidupeta, Andhra Pradesh. We have estimated the total cost of such capital expenditure to be ₹ 53.14 million. For further details of the proposed objects of the Offer, please see section titled "*Objects of the Offer*" on page 100. Further, we have not entered into any definitive agreements to utilise the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost.

The upgradation of our research and development centre is based on management estimates and current conditions and is subject to change, owing to prospective changes in external circumstances, costs, and other financial conditions. There could be delays in the said upgradation as a result of, among other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors' or external agencies' failure to perform in a timely manner or at all, exchange rate fluctuations, 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 expenditures on this significantly exceed our budgets, or even if our budgets were sufficient to cover this project, we may not be able to achieve the intended economic benefits of such R&D centre, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. We cannot assure you that we will be able to complete the upgradation of the R&D centre in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors shareholdings in our Company.

Any future equity issuances by us or sales of our Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

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

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

56. ***We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements.***

Our ability to pay dividends depends on our earnings, financial condition, cash flows, capital requirements, applicable Indian legal restrictions and other factors. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We may, in the future, be restricted by the terms of our loan agreements, from making any dividend payments, unless otherwise agreed upon by our lenders. We cannot assure you that we will be able to pay dividends in the future. For further details on our dividend policy and dividends paid, please see section titled "*Dividend Policy*" on page 234. Additionally, the Finance Act, 2020 provides, among other things, a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax, will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Our 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.

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

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprises proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and we will not receive any proceeds from the Offer for Sale. For further details, please see section titled "*Objects of the Offer*" and "*Capital Structure*" on pages 100 and 83, respectively.

58. ***The average cost of acquisition of Equity Shares by our Selling Shareholders could be lower than the floor price.***

Our Selling Shareholders' average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by our Selling Shareholders in our Company and built-up of Equity Shares by our Selling Shareholders in our Company, please see section titled "*Capital Structure*" on page 83.

External Risk Factors

59. 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 Limited and NSE Limited. 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;
- downgrading of India's sovereign debt rating by rating agencies;
- 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; 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.

60. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. The second wave of COVID-19 infections impacted India in April, May and June 2021. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

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

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. 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. Significant political, regulatory and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal, and more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European economies and any consequential impact on global financial markets. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Further, prolonged Russia-Ukraine conflict that is currently impacting, inter alia, global trade, prices of oil and gas and could have an inflationary impact on the Indian economy.

Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries. For instance, the government of India has imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure which affects our raw material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition.

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

62. Changing regulations in India could lead to new compliance requirements that are uncertain.

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

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the GoI has already finalised the rules under these codes and now states are framing regulations on their part as labour is a concurrent subject, we are yet to determine the impact of all or some of such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

India has experienced natural calamities, such as earthquakes, tsunamis and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing and R&D facilities or other assets. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and monkey pox. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business. Please see section titled "*Risk Factors- The extent to which the outbreak of COVID – 19 could have an impact on our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted*" on page 38.

Our operations at our manufacturing facilities may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, results of operations and financial condition. India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

64. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customer, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. We cannot assure you that Indian inflation levels will not worsen in the future.

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

Our Restated Consolidated Financial Information as of, six months period ended September 30, 2022, and for the financial years ended, March 31, 2022, 2021 and 2020 have been prepared and presented in accordance with Ind-

AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to higher long term capital gains tax in India.

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.

The Government of India had announced the union budget for Fiscal 2023 and the Finance Bill, 2022 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill received assent of the President of India on March 30, 2022 and became the Finance Act, 2022 ("**Finance Act**"). The Finance Act, has, among other things, provided a number of amendments to the direct and indirect tax regime. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Earlier, the Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 to clarify 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. Thus, uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October, 2021 and from BBB with a "stable" outlook to BBB- with a "stable" outlook by Fitch in

June, 2022; and decreased from BBB to BBB "low" by DBRS in May, 2020. India's sovereign rating from S&P is BBB- with a "stable" outlook in May 2021. 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.

68. ***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.

69. ***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 all our Directors and Key Managerial Personnel reside in India. Further, significant portion of our assets, and the assets of our Key Managerial Personnel and Directors, are located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. 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, 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.

70. ***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.

71. ***After the Offer, the Equity Shares experience price and volume fluctuations, and active trading market for Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

An active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares shall be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

72. ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue 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 Issue. The market price of the Equity Shares may be influenced by many factors, which are beyond our control. As a result of these factors, we cannot assure you that the investors may not be able to resell their Equity Shares at or above the Issue 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.

73. ***There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.***

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

74. ***Investors may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian Stock Exchange.***

The Equity Shares are proposed to be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading, including the crediting of the Investors’ “demat” accounts within the timeline specified under applicable law. Furthermore, in accordance with Indian law, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Offer have been Allotted and submission of all other relevant documents authorising the issuing of the Equity Shares. The Allotment of Equity Shares in the Offer and the credit of Equity Shares to the applicant’s demat account with the relevant depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approvals or otherwise commence trading in the Equity Shares would restrict investors’ ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors’ demat accounts, or that trading in the Equity Shares will commence, within the prescribed time periods or at all which could restrict your ability to dispose of the Equity Shares. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

75. 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.

76. 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, transfer 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 foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the FDI Policy has been recently modified to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. 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 GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all. For further details, please see section titled "*Restrictions on Foreign Ownership of Indian Securities*" on page 382.

77. 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.

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

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. RIBs 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.

SECTION IV: INTRODUCTION

THE OFFER

The following table summarizes the details of the Offer:

The Offer of Equity Shares	Up to [●] Equity Shares aggregating up to ₹ [●] million
of which:	
Fresh Issue(1)^	Up to [●] Equity Shares aggregating up to ₹ 2,025.00 million
Offer for Sale(2)	Up to 5,700,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders
The Offer^ consists of	
A) QIB Portion(3)(4)	Not more than [●] Equity Shares
of which	
- Anchor Investor Portion(4)	Up to [●] Equity Shares
- Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(5)	Not less than [●] Equity Shares
Of which	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size more than ₹ 0.20 million to ₹ 1.00 million	[●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares
C) Retail Portion(5)	Not less than [●] Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus)	31,720,000 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	Please see the section titled "*Objects of the Offer*" on page 100 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

^ Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.

(1) *The Offer has been authorized by a resolution of our Board of Directors in its meeting held on September 27, 2022, and also authorized through a special resolution of our Shareholders in their EGM held on September 28, 2022.*

(2) Each Selling Shareholder, severally and not jointly, confirms that the Offered Shares have been held by such Selling Shareholder for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. The Selling Shareholders have consented to participate in the Offer for Sale as set out below:

Sr. No.	Name of the Selling Shareholder	Offered Shares	Date of the consent letter	Date of authorization
1.	Vision Projects & Finvest Private Limited	Up to 3,640,000	January 4, 2023	June 30, 2022
2.	Jayanti Commercial Limited	Up to 140,000	January 4, 2023	June 30, 2022
3.	Suresh Kumar Jhunjhunwala (HUF)	Up to 1,270,000	January 4, 2023	Not Applicable
4.	Anirudh Jhunjhunwala (HUF)	Up to 650,000	January 4, 2023	Not Applicable

(3) Our Company in consultation with the Selling Shareholders and the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the 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 Net QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Fund Portion will be added to Net the QIB Portion and allocated proportionately to the Net QIB Bidders in proportion to their Bids. For further details, please see the section titled "Offer Procedure" on page 360. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations.

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the Selling Shareholders and the BRLMs and the Designated Stock Exchange subject to appliable law. In the event of an undersubscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by Selling Shareholder, and thereafter, towards the balance Fresh Issue. For further details, please see the section titled "Offer Procedure" on page 360.

(5) The allotment to each Non-Institutional Bidder was not less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For further details, please see section titled "Offer Procedure" on page 360.

Allocation to Bidders in all categories, except the Anchor Investor Portion, Non-Institutional Investor Portion and the Retail Individual Bidder Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder and the Non-Institutional Investors shall not be less than the minimum Bid Lot, or minimum application size, as the case may be, subject to availability of Equity Shares in Retail Portion or the Non-Institutional Portion respectively, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than ₹ 0.2 million, subject to the availability of Equity Shares in Non-Institutional Investors' category, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis. For further details, please see the section titled "*Offer Procedure*" on page 360.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, including in relation to grounds for rejection of Bids, please see sections titled "*Offer Structure*" and "*Offer Procedure*" on pages 356 and 360, respectively. For further details on the terms of the Offer, please see section titled "*Terms of the Offer*" on page 349.

SUMMARY FINANCIAL INFORMATION

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

The Restated Consolidated Financial Information has been prepared, based on financial statements as at and for six months period ended September 30, 2022, and the Fiscals 2022, 2021 and 2020. The Restated Consolidated Financial Information have been prepared in accordance with Ind AS and the Companies Act 2013, restated in accordance with the SEBI ICDR Regulations and are presented in the section titled "Restated Consolidated Financial Information" on page 235.

The summary financial information presented below should be read in conjunction with the sections titled "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 235 and 291, respectively.

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RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million, unless stated otherwise)

Particulars	Six months period ended September 30, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
ASSETS				
Non-current assets				
a) Property, plant and equipment	335.01	223.65	223.87	201.50
b) Capital work-in-progress	1.20	73.79	0.37	3.34
c) Goodwill on consolidation	-	-	5.56	5.56
d) Intangible assets	0.14	0.17	0.25	0.34
e) Financial assets				
i. Investments	57.03	84.88	86.28	57. 54
ii. Other financial assets	9.86	8.90	7.71	7.99
f) Deferred tax assets (net)		0.32	-	1.06
g) non-current tax assets	0.13	0.19	4.60	9.14
h) Other non-current assets	21.86	12.36	14.99	19.44
Total non-current assets	**425.23**	**404.26**	**343.64**	**305.91**
Current assets				
i) Inventories	713.89	882.66	486.41	455.38
j) Financial assets				
i. Trade receivables	1,177.52	947.71	897.95	499.55
ii. Cash and cash equivalents	20.50	58.53	47.06	6.98
iii. bank balances other than (ii) above	0.24	22.08	4.46	0.04
iv. Loans	18.73	17.60	19.50	17.20
v. Other financial assets	110.65	89.22	51.44	46.75
k) Current Tax Assets (Net)	-	-	-	0.18
l) Other current assets	196.04	219.35	248.90	162.26
Total current assets	**2,237.57**	**2,237.15**	**1,755.72**	**1,188.34**
Total Assets	**2,662.80**	**2,641.41**	**2,099.37**	**1,494.24**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	317.20	12.20	12.20	12.20
b) Other equity	1,554.75	1,513.98	1,072.57	837.31
c) Non-Controlling interest	50.77	40.20	105.27	51.61
Total Equity	**1,922.72**	**1,566.38**	**1,190.04**	**901.12**
Liabilities				
Non-current liabilities				
a) Financial liabilities				
i. Borrowings	78.73	55.95	54.79	57.24
ii. Other financial liabilities	-	-	2.00	2.00
b) Provisions	2.36	2.38	1.78	1.33
c) Deferred tax liabilities (net)	4.55	-	1.19	-
Total non-current liabilities	**85.64**	**58.33**	**59.76**	**60.57**
Current liabilities				
a) Financial liabilities				
i. Borrowings	460.11	883.46	689.71	467.01
ii. Trade payables				
-total outstanding dues of micro enterprises and small enterprises	5.54	9.81	2.73	2.59
-total outstanding dues of creditors other than micro enterprises and small enterprises	71.16	43.31	69.21	28.30

Particulars	Six months period ended September 30, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
b) Other financial liabilities	41.00	38.93	20.63	13.05
c) Other current liabilities	13.23	21.13	32.04	12.85
d) Provisions	8.48	11.37	9.48	8.74
e) Current tax liabilities (net)	54.92	8.69	25.77	-
Total current liabilities	**654.44**	**1,016.70**	**849.56**	**532.54**
Total equity and liabilities	**2,662.80**	**2,641.41**	**2,099.37**	**1,494.24**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in ₹ million, unless stated otherwise)

Particulars	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
I.Revenue from operations	4,250.72	6,128.30	4,352.98	3,993.91
II.Other income	71.31	102.17	51.07	78.78
III.Total income (I+II)	**4,322.03**	**6,230.47**	**4,404.05**	**4,072.69**
IV.Expenses				
Cost of material consumed	3,398.35	5,062.84	3,454.48	3,394.34
Purchase of Stock-in-Trade	-	4.97	5.19	19.32
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(3.28)	(109.34)	30.50	(10.33)
Employee benefits expense	70.25	133.11	102.99	96.90
Finance costs	24.52	62.51	50.70	61.66
Depreciation and amortization Expense	13.26	26.80	23.38	18.64
Other expenses	333.57	475.11	324.83	301.05
Total expenses (IV)	**3,836.67**	**5,656.01**	**3,992.06**	**3,881.59**
V.Profit/(Loss) before tax (III-IV)	**485.36**	**574.46**	**411.99**	**191.10**
VI.Tax expense:				
(i) Current tax	122.70	145.05	105.12	49.99
(ii) Deferred tax	5.14	(1.79)	1.93	1.59
(iii) Income tax adjustment for earlier years	0.39	(0.05)	16.94	-
VII.Restated Profit/(Loss) for the period (V-VI)	**357.13**	**431.26**	**287.99**	**139.53**
VIII.Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				
a. Remeasurement of defined benefit Plan	(1.05)	1.12	1.26	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.27)	0.28	0.32	-
IX.Restated total comprehensive income / (loss) for the period (VII+VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	**356.35**	**432.09**	**288.93**	**139.53**
X.Net Profit attributable to:				
Owners of the parent	346.59	400.05	234.38	129.56
Non-controlling interests	10.54	31.21	53.61	9.97
XI.Other Comprehensive Income/(Loss) attributable to:				
Owners of the parent	(0.81)	0.78	0.89	-
Non-controlling interests	0.02	0.05	0.06	-
XII.Restated total Comprehensive Income/(Loss) attributable to:				
Owners of the parent	345.78	400.83	235.27	129.56
Non-controlling interests	10.57	31.27	53.66	9.97
XIII.Earnings per equity share				
Basic and Diluted (in ₹)	10.93*	12.61	7.39	4.08

**Not annualised*

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(in ₹ million, unless stated otherwise)

Particulars	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	485.36	**574.46**	**411.99**	**191.10**
Adjustments for:				
Depreciation / amortization on continuing operation	13.26	26.80	23.38	18.64
Loss / (profit) on sale of Property, Plant and Equipment	(0.01)	(1.91)	(0.23)	(0.06)
Dividend Income	(0.10)	(1.13)	(0.94)	(0.16)
Profit on Sale of Investments measured at FVTPL	(7.44)	(10.74)	(12.80)	(0.21)
Net (Gain)/ Loss on fair value of Investments measured at fair value through P/L	17.31	(15.23)	(11.35)	3.58
Sundry credit balances written off (net)	2.35	(0.25)	1.30	-
Interest Income	(1.15)	(3.26)	(2.08)	(3.25)
Provision for employee benefits	(3.71)	6.95	0.28	0.75
Prior Period Items	-	-	-	(4.17)
Finance cost	24.52	62.51	50.70	61.66
Operating profit before working capital changes	530.39	638.20	460.24	267.88
Movements in working capital:				
Decrease / (increase) in inventories	168.76	(396.25)	(31.03)	268.71
Increase / (decrease) in trade and other payables	17.75	(61.32)	70.87	(10.44)
Decrease / (increase) in trade receivables	(232.16)	(49.76)	(398.40)	(11.29)
Decrease / (increase) in loans, other financial assets and other assets	12.14	94.13	(83.61)	(48.53)
Cash generated from / (used in) operations	496.89	224.99	18.08	466.33
Direct taxes paid (net of refunds)	76.80	157.47	91.54	57.66
Net cash flow from / (used in) operating activities (A)	**420.09**	**67.52**	**(73.46)**	**408.67**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment, including intangible assets, CWIP	(52.33)	(89.72)	(53.80)	(54.05)
Proceeds from sale of property, plant and equipment	0.09	2.85	0.39	0.13
Dividend Income	0.10	1.13	0.94	0.16
Interest Income	1.15	4.20	1.06	1.56
Proceeds from sale of investments	45.48	103.16	149.92	23.19
Payment for purchase of investments	(27.50)	(75.78)	(154.51)	(84.30)
Net cash flow from / (used in) investing activities (B)	**(33.02)**	**(54.15)**	**(56.00)**	**(113.31)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Buy Back of Shares (including tax expenses)	-	(50.87)	-	-
Proceeds from long-term borrowings	37.42	46.30	16.30	-
Repayment of long-term borrowings	(14.65)	(25.50)	(80.51)	(10.52)
Proceeds/ (Repayment) from short-term borrowings (net)	(423.35)	102.11	284.46	(221.77)
Interest paid	(24.52)	(73.94)	(50.70)	(63.15)
Net cash flow from/(used) in financing activities (C)	**(425.10)**	**(1.90)**	**169.55**	**(295.44)**

Particulars	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(38.03)**	**11.47**	**40.09**	**(0.07)**
Cash and cash equivalents as at the beginning of the year	58.53	47.06	6.98	7.07
Cash and cash equivalents as at the end of the year	20.50	58.53	47.06	6.98
Cash and cash equivalents consist of the following for the purpose of the Cash Flow Statement:				
Cash on hand	1.28	1.03	1.31	1.92
Balances with banks:				
- in current accounts	0.75	18.94	3.76	4.03
- in overdraft accounts	0.20	34.93	37.49	-
Foreign currency in hand	-	-	0.63	1.01
Balance with banks on EEFC accounts	18.27	3.62	3.86	0.01
Total cash and cash equivalents	**20.50**	**58.53**	**47.06**	**6.98**

GENERAL INFORMATION

Our Company was initially formed as a partnership firm on March 15, 1975 under the name "J.G.Chemicals" at West Bengal as a partnership at will which was registered under the Indian Partnership Act, 1932 with the Registrar of Firms, West Bengal in 1983**.** Subsequently, the partnership firm was converted into a joint stock company and was registered as a private limited company in the name and style "J.G.Chemicals Private Limited" pursuant to a certificate of incorporation dated June 28, 2001, issued by RoC, in accordance with provisions of the Companies Act, 1956. Thereafter, pursuant to a resolution passed at the meeting of the Board of Directors held on March 16, 2022, and a special resolution of the Shareholders at the EGM held on April 30, 2022, the name of our Company was changed to J.G.Chemicals Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated May 24, 2022, consequent upon conversion, was issued by the RoC.

Registered Office:

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

J.G.Chemicals Limited
34A Metcalfe Street,
Kolkata, - 700 013,
West Bengal India

Corporate Identity Number: U24100WB2001PLC093380

Registration Number: 093380

Address of the RoC

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

Registrar of Companies, West Bengal at Kolkata
Nizam Palace
2nd MSO Building
2nd Floor, 234/4, A.J.C. B. Road
Kolkata – 700 020
West Bengal, India

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus is being filed electronically through the SEBI intermediary portal at https://siportal.sebi.gov.in/intermediary/index.html, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and in accordance with the guidance issued by SEBI to the Association of Investment Bankers of India *vide* email dated October 14, 2022.

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

Board of Directors

The Board of our Company as on the date of this Draft Red Herring Prospectus comprises the following:

Name	Designation	DIN	Address
Suresh Jhunjhunwala	Executive Chairman and Wholetime Director	00234725	12, Murlidhar Sen Lane, Colootola, Chittranjan Avenue S.O., Kolkata – 700073, West Bengal
Anirudh Jhunjhunwala	Managing Director and CEO	00234879	12, Murlidhar Sen Lane, Colootola, Chittranjan Avenue S.O., Kolkata – 700073, West Bengal
Anuj Jhunjhunwala	Whole-time Director and CFO	00234926	12, Murlidhar Sen Lane, Colootola, Chittranjan Avenue S.O., Kolkata – 700073, West Bengal

Name	Designation	DIN	Address
Ashok Bhandari	Independent Director	00012210	19B, Mandeville Gardens, Ballygunge, Kolkatta, West Bengal- 700 019
Sukanta Nag	Independent Director	08696001	Flat No. 6A, Block 6, Avani Oxford Phase 1, 136, Jessore road, near Laketown Swimming Pool, Laketown Bangur Avenue, North 24 Parganas, West Bengal- 700 055
Savita Agarwal	Independent Director	00062183	Flat 9C Merlin Cambridge, 24 Prince Anwar Shah Road, Navina Cinema, Tollygunge, Kolkata, West Bengal 700 033

For brief profiles and further details of our Board, please see the section titled "*Our Management*" on page 203

Company Secretary & Compliance Officer

Swati Poddar
34A Metcalfe Street,
Kolkata - 700 013,
West Bengal, India
Telephone: +91 33 4014 0100
E-mail: corporate@jgchem.com

Investor Grievances

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

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

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

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, 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, 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.

Book Running Lead Managers

Centrum Capital Limited
Level 9, Centrum House,
C.S.T. Road, Vidyanagari Marg,
Kalina, Santacruz (East),
Mumbai – 400 098,
Maharashtra, India
Telephone: +91 22 4215 9000

E-mail: jgcl.ipo@centrum.co.in
Investor Grievance E-mail: igmbd@centrum.co.in
Website: www.centrum.co.in
Contact Person: Sooraj Bhatia / Pooja Sanghvi
SEBI registration number: INM000010445

Emkay Global Financial Services Limited
The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai 400 028,
Maharashtra, India
Telephone: +91 22 66121212
E-mail: jgcl.ipo@emkayglobal.com
Investor Grievance E-mail: ibg@emkayglobal.com
Website: www.emkayglobal.com
Contact person: Pranav Nagar / Pooja Sarvankar
SEBI registration number: INM000011229

Keynote Financial Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai 400 028,
Maharashtra, India
Telephone: +91 22 6826 6000
E-mail: mbd@keynoteindia.net
Investor grievance e-mail: investors@keynoteindia.net
Website: www.keynoteindia.net
Contact Person: Sunu Thomas
SEBI registration number: INM000003606

Syndicate Members

[●]

Legal Counsel to our Company

Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India
Telephone: +91 11 4561 1000

Legal Counsel to the BRLMs as to Indian Law

Bharucha & Partners
13th Floor, Free Press House,
Free Press Journal Marg,
Nariman Point,
Mumbai 400 021
Telephone: +91 22 2289 9300

Statutory Auditors of our Company

S. Jaykishan
Chartered Accountants
12, Ho Chi Minh Sarani,
Kolkata – 700 071,
Tel: +91 33 4003 5801
E-mail: info@sjaykishan.com
Firm Registration Number: 309005E
Peer Review Number: 014338

Registrar to the Offer

KFin Technologies Limited

Selenium, Tower B, Plot No. 31 and 32 Financial District,
Nanakramguda, Serilingampally Hyderabad,
Rangareddi 500 032, Telangana, India
Telephone: +91 40 6716 2222
Toll Free No.: 18003094001
E-mail: jgchemicals.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M. Murali Krishna
SEBI registration number.: INR000000221
CIN: U72400TG2017PLC117649

Banker(s) to the Offer

[●]

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank

[●]

Bankers to our Company

Bank of Baroda
SME Branch, Bank of Baroda,
ILLACO House, 1 B.T.M. Sarani,
Kolkata 700 001, West Bengal, India
Telephone: 033- 4601 4949
Email id: vjokol@bankofbaroda.com
Website: www.bankofbaroda.in
Contact Person: Sitanshu Dash

Citibank NA
41 Chowringhee Road,
Kolkata- 700 071.
Telephone: 97399 60111
Email id: Arvind.kothari@citi.com
Website: www.citigroup.com
Contact Person: Arvind Kothari

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Bidder (other than a UPI Bidder 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 are available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) 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 further details 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.

SCSBs and mobile applications enabled for UPI Mechanism

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

Details of nodal officers of SCSBs, identified for Bids made through the UPI mechanism, are available on the website of SEBI at www.sebi.gov.in.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA forms from the Bidders (other than UPI Bidders), 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/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms 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, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as 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, or such other websites as updated from time to time.

Experts to the Offer

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

Our Company has received written consent dated January 4, 2023 from our Statutory Auditors namely, S. Jaykishan, Chartered Accountants, holding a valid peer review certificate from ICAI 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 Auditors and in respect of their examination report dated November 17, 2022, on our Restated Consolidated Financial Information and on the statement of special tax benefits dated December 22, 2022 included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under Securities Act.

Our Company has received written consent dated January 4, 2023, from Ramesh Verma & Co., 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 the Independent Chartered Accountant, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under Securities Act

Our Company has received written consent dated November 15, 2022, from Jayam Consultants Private Limited, Independent Chartered Engineer, 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 the Independent Chartered Engineer, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under Securities Act.

Changes in Auditors

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

Name of Auditors	Date of Change	Reason for change
B. Chhawchharia & Co. 8A& 8B, Satyam Towers, 3, Alipore road, Kolkata 700 027 **Email:** contact@bccoindia.com **Peer Review No.:** 011743 **Firm Registration No.:** 305123E	August 18, 2022	Resignation due to disagreement in relation to audit fees
S. Jaykishan 12 HO-Chi-Minh Sarani, Kolkata 700 071 **Email:** info@sjaykishan.com **Peer Review No.:** 014338 **Firm Registration No.:** 309005E	September 8, 2022	Appointed due to casual vacancy

Monitoring Agency

Our Company shall appoint a monitoring agency for monitoring the utilisation of the Net Proceeds from the Fresh Issue under Regulation 41 the SEBI ICDR Regulations prior to filing of the Red Herring Prospectus.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity has been appointed in relation to the Offer.

IPO Grading

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

Inter-se allocation of Responsibilities

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

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 and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	BRLMs	Centrum
2.	Drafting and approval of all statutory advertisement.	BRLMs	Centrum
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	BRLMs	Emkay
4.	Appointment of intermediaries viz., Registrar's, Printers, Advertising Agency, Monitoring Agency, Sponsor Banks, and Banker(s) to the Offer and other intermediaries including co-ordination of all agreements to be entered into with such intermediaries.	BRLMs	Keynote
5.	Preparation of road show presentation and frequently asked questions.	BRLMs	Keynote
6.	International institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedules.	BRLMs	Emkay
7.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • International and domestic marketing strategy • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedules.	BRLMs	Centrum
8.	Conduct non-institutional marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising brokerage, collection centres • Finalising centres for holding conferences etc. • Follow-up on distribution of publicity and Offer material including form, RHP/ Prospectus and deciding on the quantum of the Offer material	BRLMs	Keynote
9.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising brokerage, collection centres • Finalising centres for holding conferences etc. Follow-up on distribution of publicity and Offer material including form, RHP/ Prospectus and deciding on the quantum of the Offer material	BRLMs	Centrum
10.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading payment of 1% security deposit.	BRLMs	Emkay
11.	Managing the book and finalization of pricing in consultation with the Company.	BRLMs	Centrum
12.	Post-Offer activities, which shall involve managing Anchor book related activities and submission of letters to regulators post completion of Anchor Offer, management of escrow accounts, essential follow-up steps including follow-up with Banker(s) to the		

	Offer and Self Certified Syndicate Banks to get quick estimates of subscription and advising the Issuer about the closure of the Offer, finalization of basis of allotment after weeding out the technical rejections. Coordination with various agencies connected with the post-offer activity such as registrars to the Offer, Sponsor Bank, Banker(s) to the Offer, Self-Certified Syndicate Banks and underwriters etc., listing of instruments, demat credit and refunds/ unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT. Coordination with SEBI and Stock Exchanges for submission of all post issue reports including final post issue report to SEBI, release of 1% security deposit post closure of the offer.	BRLMs	Keynote

Credit Rating

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company, in consultation with the Selling Shareholders and the BRLMs and, will be advertised in [●], which shall be published in [●] editions of [●], an English national newspaper, [●] editions of [●], a Hindi national newspaper and [●] editions of [●], a Bengali daily newspaper (Bengali being the regional language of West Bengal where our Registered Office is located) each with wide circulation 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 Selling Shareholders and BRLMs after the Bid/Offer Closing Date. For further details, please see section titled "*Offer Procedure*" on page 360.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs and Sponsor Bank, as the case may be. The Retail Individual Bidders shall participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs; or (b) through 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 NIBs are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs (subject to the Bid Amount being up to ₹ 200,000) 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 Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis, while allocation to QIBs (other than Anchor Investors), RIBs and NIBs will be on a proportionate basis.

For further details on the method and procedure for Bidding and book building procedure, please see the sections titled "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 349, 356 and 360, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding process are subject to change from time to time. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

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

For an illustration of the Book Building process and the price discovery process, please see the section titled "*Offer Procedure*" on page 360.

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

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. The Selling Shareholders has specifically confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to the Selling Shareholders, in relation to the Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued/offered through the Offer. Subject to the applicable laws, extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. The Underwriting Agreement is dated [●]. 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 Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally *left blank and will be completed before filing the Prospectus with the RoC.).*

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

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

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

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)

Sr. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL**(1)		
	37,000,000 Equity Shares of ₹ 10 each	370,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	31,720,000 Equity Shares of ₹ 10 each	317,200,000	-
C.	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million (2)	[●]	[●]
	of which		
	Fresh Issue of [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ 2,025.00 million (2)#	[●]	[●]
	Offer for Sale of up to 5,700,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million (2)(3)	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of ₹ 10 each	[●]	-
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer *(as on the date of Draft Red Herring Prospectus)*	Nil	
	After the Offer	[●]	

** To be included upon finalization of Offer Price.*

 # Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.

(1) *For details in relation to changes in the authorised share capital of our Company in last 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 197.*

(2) *The Offer has been authorized by our Board pursuant to its resolution dated September 27, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated September 28, 2022.*

(3) *Each Selling Shareholder, severally and not jointly, confirms that the Offered Shares have been held by such Selling Shareholder in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For further details in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" on page 335. Each Selling Shareholder has confirmed and consented to its participation in the Offer for Sale as set out below:*

Sr. No.	Name of the Selling Shareholder	Offered Shares	Date of the consent letter	Date of authorization
1.	Vision Projects & Finvest Private Limited	Up to 3,640,000	January 4, 2023	June 30, 2022

2.	Jayanti Commercial Limited	Up to 140,000	January 4, 2023	June 30, 2022
3.	Suresh Kumar Jhunjhunwala (HUF)	Up to 1,270,000	January 4, 2023	Not Applicable
4.	Anirudh Jhunjhunwala (HUF)	Up to 650,000	January 4, 2023	Not Applicable

Notes to the Capital Structure

1. **Share Capital History of our Company.**

a. History of Equity Share capital

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

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
June 21, 2001	600,000	10	10	Cash	Subscription to the MoA(1)	600,000	6,000,000
March 18, 2002	20,000	10	10	Cash	Further issue(2)	620,000	6,200,000
August 10, 2004	180,000	10	10	Cash	Further issue(3)	800,000	8,000,000
March 31, 2006	40,000	10	100	Cash	Further issue(4)	840,000	8,400,000
June 30, 2006	30,000	10	100	Cash	Further issue(5)	870,000	8,700,000
January 31, 2007	75,000	10	100	Cash	Further issue(6)	945,000	9,450,000
March 31, 2007	75,000	10	100	Cash	Further issue(7)	1,020,000	10,200,000
March 22, 2010	200,000	10	100	Cash	Fresh issue(8)	1,220,000	12,200,000
June 21, 2022	30,500,000	10	N.A.	N.A.	Bonus issue in the ratio of 25:1(9)	31,720,000	317,200,000
Total						**31,720,000**	**317,200,000**

(1) Initial subscription to the MoA by the following:

Sr. No.	*Subscriber to the MoA*	*Number of Equity Shares allotted*
1.	*Suresh Jhunjhunwala*	*292,500*
2.	*Eeshwar Fiscal Services Private Limited*	*150,000*
3.	*Alka Jhunjhunwala*	*10,000*
4.	*Puspa Agarwal*	*2,500*
5.	*Krishna Kumar Agrawal*	*2,500*
6.	*Anirudh Jhunjhunwala*	*140,000*
7.	*Vinay Churiwala*	*2,500*
Total		***600,000***

(2) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	*Name of the allottee*	*Number of Equity Shares allotted*
•	*Mahendra Prasad Chokhani*	*3,000*
•	*Kusum Lata Chokhani*	*17,000*
Total		***20,000***

(3) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	*Name of the allottee*	*Number of Equity Shares allotted*
1.	*Genius Trading Private Limited*	*180,000*
Total		***180,000***

(4) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	*Name of the allottee*	*Number of Equity Shares allotted*
1.	*Deeksha Marketing Private Limited*	*5,000*
2.	*Remex Investment Private Limited*	*5,000*
3.	*S. M. Mercantiles Private Limited*	*10,000*
4.	*Sourvika Trade & Holding Private Limited*	*10,000*
5.	*S.P. Advisors Private Limited*	*10,000*
Total		***40,000***

(5) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	*Name of the allottee*	*Number of Equity Shares allotted*
1.	*Lokpriya Trade & Agency Private Limited*	*20,000*
2.	*Remex Investment Private Limited*	*10,000*
Total		***30,000***

(6) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	*Name of the allottee*	*Number of Equity Shares allotted*
1.	*Continental Fiscal Management Limited*	*10,000*
2.	*Chokhani Smokless Coke Company Private Limited*	*10,000*
3.	*Remex Investment Private Limited*	*10,000*
4.	*Lokpriya Trade & Agency Private Limited*	*10,000*
5.	*Nutshell Vyapaar Private Limited*	*10,000*
6.	*Kirti Dealers Private Limited*	*10,000*
7.	*Unayan Trade & Commerce Private Limited*	*5,000*
8.	*S. M. Mercantiles Private Limited*	*10,000*
Total		***75,000***

(7) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	*Name of the allottee*	*Number of Equity Shares allotted*
1.	*Chanda Cast Iron Industries Private Limited*	*10,000*
2.	*Sarvodaya Beopar Limited*	*10,000*
3.	*Bankam Investment Limited*	*20,000*
4.	*Chaturang Commercials Private Limited*	*10,000*
5.	*Carvan Creation Private Limited*	*15,000*
6.	*Kavery Trading & Holding Private Limited*	*10,000*
Total		***75,000***

(8) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	*Name of the allottee*	*Number of Equity Shares allotted*
1.	*Alexia Dealers Private Limited*	*20,000*
2.	*B. P. Builders Private Limited*	*10,000*
3.	*Chaturang Commercial Private Limited*	*20,000*
4.	*Dhansakti Financial Consultants Private Limited*	*5,000*
5.	*Fullford Sales Private Limited*	*15,000*
6.	*J. P. Engineering Corporation Private Limited*	*20,000*
7.	*Kanupriya Commercial Private Limited*	*15,000*
8.	*Kavery Trading & Holding Private Limited*	*15,000*
9.	*KNS Exports Private Limited*	*10,000*
10.	*Paridhi Finvest Private Limited*	*15,000*
11.	*Remex Investment Private Limited*	*15,000*

12.	*Software Wizards Limited*	*15,000*
13.	*S. P. Advisors Private Limited*	*10,000*
14.	*Subhshree Vyapaar Private Limited*	*10,000*
15.	*Vandana Commodities Private Limited*	*5,000*
Total		***200,000***

(9) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	***Name of the allottee***	***Number of Equity Shares allotted***
1.	*Suresh Jhunjhunwala*	*3,750,000*
2.	*Anirudh Jhunjhunwala*	*4,000,000*
3.	*Anuj Jhunjhunwala*	*3,750,000*
4.	*Eeshwar Fiscal Services Private Limited*	*2,812,500*
5.	*Alka Jhunjhunwala*	*4,000,000*
6.	*Vision Projects & Finvest Private Limited*	*3,500,000*
7.	*Jayanti Commercial Limited*	*3,062,500*
8.	*Anirudh Jhunjhunwala HUF*	*625,000*
9.	*Suresh Jhunjhunwala HUF*	*1,250,000*
10.	*Alkan Fiscal Services Private Limited*	*2,500,000*
11.	*BDJ Chemicals Private Limited*	*1,250,000*
Total		***30,500,000***

b. History of Preference Share capital

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

c. Equity Shares issued for consideration other than cash or out of revaluation of reserves

(i) Our Company has not revalued its assets, at any time since incorporation and accordingly has not issued any Equity Shares (including any bonus shares) out of revaluation of reserves.

(ii) Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash:

Date of allotment	**Number of Equity Shares allotted**	**Face value per Equity Share (₹)**	**Issue price per Equity Share (₹)**	**Nature of consideration**	**Nature of allotment**	**Benefits if any that have accrued to our Company**
June 21, 2022	30,500,000	10	N.A.	N.A.	Bonus issue in the ratio of 25:1[(1)]	-

(1) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	***Name of the allottee***	***Number of Equity Shares allotted***
1.	*Suresh Jhunjhunwala*	*3,750,000*
2.	*Anirudh Jhunjhunwala*	*4,000,000*
3.	*Anuj Jhunjhunwala*	*3,750,000*
4.	*Eeshwar Fiscal Services Private Limited*	*2,812,500*
5.	*Alka Jhunjhunwala*	*4,000,000*
6.	*Vision Projects & Finvest Private Limited*	*3,500,000*
7.	*Jayanti Commercial Limited*	*3,062,500*
8.	*Anirudh Jhunjhunwala HUF*	*625,000*
9.	*Suresh Jhunjhunwala HUF*	*1,250,000*
10.	*Alkan Fiscal Services Private Limited*	*2,500,000*
11.	*BDJ Chemicals Private Limited*	*1,250,000*
Total		***30,500,000***

d. Equity Shares issued under any scheme of arrangement

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

e. Equity Shares issued at a price lower than the Offer Price in preceding one year

Except for the allotment pursuant to bonus issue of 30,500,000 Equity Shares in the ration of 25:1 on June 21, 2022, our Company has not issued any Equity Shares at a price lower than the Offer Price in preceding one year preceding from the date of this Draft Red Herring Prospectus.

f. Equity Shares issued under employee stock option schemes

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

2. **History of the share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 11,960,000 Equity Shares, which constitutes 37.71% of the issued, subscribed and paid-up Equity Share capital of our Company.

a. Build-up of the shareholding of our Promoters in our Company

The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Acquisition price/ Transfer price per Equity Share (₹)	% of pre-Offer capital	% of post-Offer capital
(A) Suresh Jhunjhunwala							
June 21, 2001	Subscription to MoA	292,500	Cash	10	10	0.92	[●]
April 07, 2008	Transfer to Eeshwar Fiscal Services Private Limited	(142,500)	Cash	10	10	(0.45)	[●]
June 21, 2022	Bonus issue	3,750,000	N.A.	10	N.A.	11.82	[●]
Total		**3,900,000**				**12.30**	**[●]**
(B) Anirudh Jhunjhunwala							
June 21, 2001	Subscription to MoA	140,000	Cash	10	10	0.44	[●]
August 18, 2006	Transfer from Puspa Agarwal	3,000	Cash	10	4	0.01	[●]
August 18, 2006	Transfer from Mahabir Prasad Agarwal	17,000	Cash	10	4	0.05	[●]
June 21, 2022	Bonus issue	4,000,000	N.A.	10	N.A.	12.61	[●]
Total		**4,160,000**				**13.11**	**[●]**
(C) Anuj Jhunjhunwala							
September 22, 2009	Transfer from Trimurti Associates Private Limited	80,000	Cash	10	10	0.25	[●]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Acquisition price/ Transfer price per Equity Share (₹)	% of pre-Offer capital	% of post-Offer capital
September 22, 2009	Transfer from Chanda Cast Iron Industries Private Limited	10,000	Cash	10	10	0.03	[●]
September 22, 2009	Transfer from Savodaya Beopar Limited	10,000	Cash	10	10	0.03	[●]
September 22, 2009	Transfer from Bankam Investment Limited	20,000	Cash	10	10	0.06	[●]
September 22, 2009	Transfer from Chaturnag Commercial Private Limited	10,000	Cash	10	10	0.03	[●]
September 22, 2009	Transfer from Caravan Creation Private Limited	10,000	Cash	10	10	0.03	[●]
September 22, 2009	Transfer from Kavery Trading & Holdings Private Limited	10,000	Cash	10	10	0.03	[●]
June 21, 2022	Bonus issue	3,750,000	N.A.	10	N.A.	11.82	[●]
Total		**3,900,000**				**12.30**	**[●]**

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

The entire shareholding of our Promoters is in dematerialised form as on the date of this Draft Red Herring Prospectus.

b. Shareholding of our Promoters and members of Promoter Group

The details of the Equity shareholding of our Promoters and the members of Promoter Group in our Company as on the date of this Draft Red Herring Prospectus is set out below:

Name of Shareholder	pre-Offer		post-Offer	
	No. of Equity Shares	% of total shareholding	No. of Equity Shares	% of total shareholding
Promoters				
Suresh Jhunjhunwala	3,900,000	12.30	[●]	[●]
Anirudh Jhunjhunwala	4,160,000	13.11	[●]	[●]
Anuj Jhunjhunwala	3,900,000	12.30	[●]	[●]
Total holding of the Promoters (A)	**11,960,000**	**37.71**	[●]	[●]
Promoter Group				
Alka Jhunjhunwala	4,160,000	13.11	[●]	[●]
Vision Projects & Finvest Private Limited	3,640,000	11.48	[●]	[●]
Jayanti Commercial Limited	3,185,000	10.04	[●]	[●]
Anirudh Jhunjhunwala HUF	650,000	2.05	[●]	[●]
Suresh Kumar Jhunjhunwala	1,300,000	4.10	[●]	[●]

Name of Shareholder	pre-Offer		post-Offer	
	No. of Equity Shares	% of total shareholding	No. of Equity Shares	% of total shareholding
(HUF)				
Alkan Fiscal Services Private Limited	2,600,000	8.20	[●]	[●]
BDJ Chemicals Private Limited	1,300,000	4.10	[●]	[●]
Eeshwar Fiscal Services Private Limited	2,925,000	9.22	[●]	[●]
Total holding of Promoter Group (other than Promoters) (B)	**19,760,000**	**62.29**	[●]	[●]
Total holding of Promoters and Promoter Group (A + B)	**31,720,000**	**100.00**	[●]	[●]

c. ***Details of price at which Equity Shares were acquired in last one year and three years preceding the date of this Draft Red Herring Prospectus by our Promoters, members of our Promoter Group and the Selling Shareholders***

Except as disclosed below, none of our Promoters, members of our Promoter Group and the Selling Shareholders have acquired any Equity Shares of our Company in last one year immediately preceding the date of this Draft Red Herring Prospectus:

Name of the acquirer/shareholder	Date of allotment / acquisition / transfer	Number of Equity Shares	Acquisition price per Equity Share
Promoters			
Suresh Jhunjhunwala	June 21, 2022	3,750,000	Nil#
Anirudh Jhunjhunwala	June 21, 2022	4,000,000	Nil#
Anuj Jhunjhunwala	June 21, 2022	3,750,000	Nil#
Promoter Group			
Alka Jhunjhunwala	June 21, 2022	4,000,000	Nil#
Vision Projects & Finvest Private Limited*	June 21, 2022	3,500,000	Nil#
Jayanti Commercial Limited*	June 21, 2022	3,062,500	Nil#
Anirudh Jhunjhunwala (HUF)*	June 21, 2022	625,000	Nil#
Suresh Kumar Jhunjhunwala (HUF)*	June 21, 2022	1,250,000	Nil#
Alkan Fiscal Services Private Limited	June 21, 2022	2,500,000	Nil#
BDJ Chemicals Private Limited	June 21, 2022	1,250,000	Nil#
Eeshwar Fiscal Services Private Limited	June 21, 2022	2,812,500	Nil#

* *Also the Selling Shareholders*
 # Bonus issue in the ratio of 25:1

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

Name of the acquirer/shareholder	Date of allotment / acquisition / transfer	Number of Equity Shares	Acquisition price per Equity Share
Promoters			
Suresh Jhunjhunwala	June 21, 2022	3,750,000	Nil#
Anirudh Jhunjhunwala	June 21, 2022	4,000,000	Nil#
Anuj Jhunjhunwala	June 21, 2022	3,750,000	Nil#
Promoter Group			
Alka Jhunjhunwala	June 21, 2022	4,000,000	Nil#

Name of the acquirer/shareholder	Date of allotment / acquisition / transfer	Number of Equity Shares	Acquisition price per Equity Share
Promoters			
Vision Projects & Finvest Private Limited*	June 21, 2022	3,500,000	Nil#
Jayanti Commercial Limited*	June 21, 2022	3,062,500	Nil#
Anirudh Jhunjhunwala (HUF)*	June 21, 2022	625,000	Nil#
Suresh Kumar Jhunjhunwala (HUF)*	June 21, 2022	1,250,000	Nil#
Alkan Fiscal Services Private Limited	June 21, 2022	2,500,000	Nil#
BDJ Chemicals Private Limited	June 21, 2022	1,250,000	Nil#
Eeshwar Fiscal Services Private Limited	June 21, 2022	2,812,500	Nil#

** Also the Selling Shareholders*
 # Bonus issue in the ratio of 25:1

There are no shareholders who are entitled to nominate directors or have any other special rights vis-à-vis our Company. For further details, please see section titled "*History and Certain Corporate Matters*" on page 197.

d. Details of Promoters' contribution and lock-in

(i) Pursuant to Regulations 14 and 16 (1) of the SEBI ICDR Regulations, an aggregate of not less than 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters except for the Equity Shares offered pursuant to the Offer for Sale shall be locked in for a period of eighteen months as minimum promoter's contribution ("**Minimum Promoter's Contribution**") from the date of Allotment and the shareholding of the Promoters 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.

(ii) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below:

Name	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face Value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post-Offer paid-up capital (%)*
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]

** 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 the Minimum Promoter's Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Minimum Promoter's Contribution from the date of filing of 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 Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

(a) The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired during the three immediately preceding years for consideration other than cash, and revaluation of assets or capitalisation of intangible assets in such transaction; (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus Shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;

(b) The Minimum Promoter's 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;

(c) Our Company was incorporated pursuant to conversion of a partnership firm into a company in the year 2001. No Equity Shares have been issued to our Promoters upon such conversion, in last one year.

(d) The Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge or any other encumbrance.

e. Details of Equity Shares locked-in for six months

Pursuant to Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer capital of our Company (including those Equity Shares held by our Promoters in excess of the Minimum Promoter's Contribution) shall be locked-in for a period of six months from the date of Allotment, except for (i) the Equity Shares with respect to the Offer for Sale; (ii) any Equity Shares held by the eligible employees (whether currently employees or not) of our Company which have been allotted to them under an employee stock option scheme, prior to the Offer, except as required under applicable law, (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders, and (iv) as otherwise permitted under the SEBI ICDR Regulations. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations.

f. Lock-in of Equity Shares Allotted to Anchor Investors

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

g. Other lock-in requirements:

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 granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a deposit taking housing finance company, subject to the following:

(i) 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; and

(ii) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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

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

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

h. 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.

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i. 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)	No. of Partly paid-up Equity Shares held (V)	No. of Equity Shares underlying depository receipts (VI)	Total No. of Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
								Class (Equity)	Class e.g.: Others	Total								
(A)	Promoters & Promoter Group	11	31,720,000	-	-	31,720,000	100.00	31,720,000	-	31,720,000	100.00	-	-		-		-	31,720,000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	Equity Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-

Category (I)	Category of Shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of Equity Shares underlying depository receipts (VI)	Total No. of Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
								Class (Equity)	Class e.g.: Others	Total								
(C2)	Equity Shares held by - employee trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**11**	**31,720,000**	**-**	**-**	**31,720,000**	**100.00**	**31,720,000**	**-**	**31,720,000**	**100.00**	**-**	**-**		**-**		**-**	**31,720,000**

3. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Name	No. of Equity Shares	% of pre-Offer capital	% of post-Offer capital
Directors (including Executive Directors) and KMPs			
Suresh Jhunjhunwala	3,900,000	12.30	[●]
Anirudh Jhunjhunwala	4,160,000	13.11	[●]
Anuj Jhunjhunwala	3,900,000	12.30	[●]
Total	**11,960,000**	**37.71**	[●]

4. **Details of Equity shareholding of the major Equity Shareholders of our Company**

(a) As on the date of this Draft Red Herring Prospectus, our Company has 11 shareholders.

(b) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer		Post-Offer	
	No. of Equity Shares	% of Equity Share capital	No. of Equity Shares	% of Equity Share capital
Anirudh Jhunjhunwala	4,160,000	13.11	[●]	[●]
Alka Jhunjhunwala	4,160,000	13.11	[●]	[●]
Suresh Jhunjhunwala	3,900,000	12.30	[●]	[●]
Anuj Jhunjhunwala	3,900,000	12.30	[●]	[●]
Vision Projects & Finvest Private Limited*	3,640,000	11.48	[●]	[●]
Jayanti Commercial Limited*	3,185,000	10.04	[●]	[●]
Eeshwar Fiscal Services Private Limited	2,925,000	9.22	[●]	[●]
Alkan Fiscal Services Private Limited	2,600,000	8.20	[●]	[●]
Suresh Kumar Jhunjhunwala (HUF)*	1,300,000	4.10	[●]	[●]
BDJ Chemicals Private Limited	1,300,000	4.10	[●]	[●]
Anirudh Jhunjhunwala (HUF)*	650,000	2.05	[●]	[●]

**Also the Selling Shareholders*

(c) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer		Post-Offer	
	No. of Equity Shares	% of Equity Share capital	No. of Equity Shares	% of Equity Share capital
Anirudh Jhunjhunwala	4,160,000	13.11	[●]	[●]
Alka Jhunjhunwala	4,160,000	13.11	[●]	[●]
Suresh Jhunjhunwala	3,900,000	12.30	[●]	[●]
Anuj Jhunjhunwala	3,900,000	12.30	[●]	[●]
Vision Projects & Finvest Private Limited*	3,640,000	11.48	[●]	[●]
Jayanti Commercial Limited*	3,185,000	10.04	[●]	[●]
Eeshwar Fiscal Services Private Limited	2,925,000	9.22	[●]	[●]

Name of Shareholder	Pre-Offer		Post-Offer	
	No. of Equity Shares	% of Equity Share capital	No. of Equity Shares	No. of Equity Shares
Alkan Fiscal Services Private Limited	2,600,000	8.20	[●]	[●]
Suresh Kumar Jhunjhunwala (HUF)*	1,300,000	4.10	[●]	[●]
BDJ Chemicals Private Limited	1,300,000	4.10	[●]	[●]
Anirudh Jhunjhunwala (HUF)*	650,000	2.05	[●]	[●]

**Also the Selling Shareholders*

(d) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer		Post-Offer	
	No. of Equity Shares	% of Equity Share capital	No. of Equity Shares	% of Equity Share capital
Anirudh Jhunjhunwala	160,000	13.11	[●]	[●]
Alka Jhunjhunwala	160,000	13.11	[●]	[●]
Suresh Jhunjhunwala	150,000	12.30	[●]	[●]
Anuj Jhunjhunwala	150,000	12.30	[●]	[●]
Vision Projects & Finvest Private Limited*	140,000	11.48	[●]	[●]
Jayanti Commercial Limited*	122,500	10.04	[●]	[●]
Eeshwar Fiscal Services Private Limited	112,500	9.22	[●]	[●]
Alkan Fiscal Services Private Limited	100,000	8.20	[●]	[●]
Suresh Kumar Jhunjhunwala (HUF)*	50,000	4.10	[●]	[●]
BDJ Chemicals Private Limited	50,000	4.10	[●]	[●]
Anirudh Jhunjhunwala (HUF)*	25,000	2.05	[●]	[●]

**Also the Selling Shareholders*

(e) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer		Post-Offer	
	No. of Equity Shares	% of Equity Share capital	No. of Equity Shares	% of Equity Share capital
Anirudh Jhunjhunwala	160,000	13.11	[●]	[●]
Alka Jhunjhunwala	160,000	13.11	[●]	[●]
Suresh Jhunjhunwala	150,000	12.30	[●]	[●]
Anuj Jhunjhunwala	150,000	12.30	[●]	[●]
Vision Projects & Finvest Private Limited*	140,000	11.48	[●]	[●]
Jayanti Commercial Limited*	122,500	10.04	[●]	[●]
Eeshwar Fiscal Services Private Limited	112,500	9.22	[●]	[●]
Alkan Fiscal Services Private Limited	100,000	8.20	[●]	[●]
Suresh Kumar Jhunjhunwala (HUF)*	50,000	4.10	[●]	[●]
BDJ Chemical Private Limited	50,000	4.10	[●]	[●]
Anirudh Jhunjhunwala (HUF)*	25,000	2.05	[●]	[●]

**Also the Selling Shareholders*

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

6. The BRLMs and their respective associates (determined as per the definition of 'associate company' under the Companies Act, and as per definition of the term 'associate' under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company, the Selling Shareholders and their respective affiliates in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company or the Selling Shareholders or their respective affiliates or associates, for which they may in the future receive customary compensation.

7. Our Company, the Promoters, the Directors, and the BRLMs have not entered into any buy-back arrangement or any other similar arrangements for the purchase of Equity Shares being offered under the Offer.

8. Except as disclosed above "*Capital Structure- Build-up of the shareholding of our Promoters in our Company*" on page 87 none of our Promoters, the members of our Promoter Group, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus. For details of acquisitions by the Selling Shareholders and members of our Promoter Group during the period, please see "*Details of price at which Equity Shares were acquired in last one year and three years preceding the date of this Draft Red Herring Prospectus by members of our Promoter Group and the Selling Shareholders*" on page 89.

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

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

11. None of the Equity Shares held by our Promoters and the members of our Promoter Group are pledged or otherwise encumbered as on the date of this Draft Red Herring Prospectus. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

12. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

13. All the Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.

14. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

15. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into 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 qualified institutional placement or by way of further public issue of Equity Share or otherwise.

16. Except for Pre-IPO Placement, our Company will not undertake any further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

17. Our Promoters and the members of our Promoter Group will not participate in the Offer, except to the extent of the Offer for Sale by the members of our Promoter Group.

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

19. Our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

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

21. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

22. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 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. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (a) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which (i) one third shall be reserved for applicants with application size more than ₹0.2 million and up to ₹1 million and (ii) two-thirds shall be reserved for applicants with application size more ₹ 1 million provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non – Institutional Bidders) and (b) not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilize the ASBA process providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by SCSBs) or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, please see section titled "*Offer Procedure*" on page 360.

SECTION V: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

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

Fresh Issue

The proceeds of the Fresh Issue, after deducting Offer related expenses, are estimated to be ₹ [●] million (the "**Net Proceeds**").

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. Each Selling Shareholders will be entitled to proceeds from the Offer for Sale to the extent of their respective portions of the Offered Shares, after deducting their respective proportion of Offer related expenses and relevant taxes thereon, in accordance with the Offer Agreement. Other than the listing fees for the Offer, which will be borne by our Company. All fees, costs and expenses relating to the Offer, including fees payable to the legal advisors, auditors, printers, advertising agencies, Bankers to the Offer, fees payable to the SEBI and the Stock Exchanges, out-of-pocket expenses of the intermediaries incurred in connection with this Offer, shall be paid by the Company and the Selling Shareholders proportionately. If the Offer is withdrawn or not completed for any reason whatsoever, the Selling Shareholders shall proportionately to the extent of the Offered Shares bear all expenses in relation to the Offer incurred till such date, other than the listing fees**.**

For details in relation to the Selling Shareholders and their respective Offered Shares, please see section titled "*Other Regulatory and Statutory Disclosures*" on page 335.

Requirement of Funds

Our Company intends to utilize the Net Proceeds towards the following objects:

1. Investment in our Material Subsidiary, viz. BDJ Oxides (i) repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Material Subsidiary; (ii) funding capital expenditure requirements for setting up of a research and development centre situated in Naidupeta ("**R&D Centre**"); and (iii) funding its long-term working capital requirements

2. Funding long-term working capital requirements of our Company; and

3. General corporate purposes.

(Collectively, referred to herein as the "**Objects**").

In addition to the Objects, the Offer is being undertaken to realise the benefits of listing of our Equity Shares on the Stock Exchanges, including the enhancement of our Company's visibility and brand name and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable our Company and its Material Subsidiary to (i) undertake their existing business activities and (ii) undertake the activities proposed to be funded from the Net Proceeds. Further, we confirm that the activities which we have been carrying out till date are in accordance with the objects clause of our Memorandum of Association.

Proceeds of Fresh Issue

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

(*in ₹ million*)

Particulars	Estimated amount
Gross proceeds of the Fresh Issue [(1)]	Up to 2,025.00

Particulars	Estimated amount
(Less) Offer expenses in relation to the Fresh Issue [(2)(3)]	[●]
Net Proceeds[(2)]	**[●]**

[(1)] *Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement through a Fresh Issue and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

[(2)] *To be finalized upon determination of the Offer Price and will be updated in the Prospectus prior to filing the RoC.*

[(3)] *For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to "Offer Expenses" on page 114.*

Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in the following table:

(*in ₹ million*)

Sr. No	Particulars	Estimated amount[(1)]
1.	Investment in our Material Subsidiary, viz. BDJ Oxides:	
(i)	repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Material Subsidiary;	450.00
(ii)	funding capital expenditure requirements for setting up of R&D Centre;	53.14
(iii)	funding its long-term working capital requirements	650.00
2.	Funding long-term working capital requirements of our Company	350.00
3.	General corporate purposes [(1)]	[●]
	Total	**[●]**

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

[(2)] *Based on the sr.no. 1 (i), (iii) and (iii) our total investment in our Material Subsidiary is ₹ 1,153.14 million.*

Proposed schedule of implementation and deployment of Net Proceeds

Our Company proposes to deploy the Net Proceeds for the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards the Objects.

(in ₹ million)

Sr. No.	Particulars	Amount proposed to be funded from Net Proceeds	Schedule of Implementation		
			Fiscal 2024	Fiscal 2025	Fiscal 2026
1.	Investment in our Material Subsidiary, viz. BDJ Oxides for:				
(i)	repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Material Subsidiary	450.00	450.00	-	-
(ii)	funding capital expenditure requirements for setting up R&D Centre;	53.14	53.14	-	-

Sr. No.	Particulars	Amount proposed to be funded from Net Proceeds	Schedule of Implementation		
			Fiscal 2024	Fiscal 2025	Fiscal 2026
(iii)	funding its long-term working capital requirements;	650.00	200.00	250.00	200.00
2.	Funding long-term working capital requirements of our Company	350.00	-	150.00	200.00
3.	General corporate purposes [(1)]	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]

[(1)] To be finalized on 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.
[(2)] Based on the sr.no. 1 (i), (iii) and (iii) our total investment in our Material Subsidiary is ₹ 1,153.14 million.

If the Net Proceeds are not utilised in part or full for the Objects during the scheduled Fiscal, due to factors such as (i) economic and business conditions; (ii) market conditions outside the control of our Company; and (iii) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent Fiscal as may be determined by our Company, in accordance with and subject to compliance with applicable laws. Our Company may, however, propose to utilize the Net Proceeds towards any or all of the Objects prior to the specific dates mentioned in the schedule of deployment, in accordance with the requirements of our Company. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular Object vis-à-vis the utilization of Net Proceeds.

The deployment of funds indicated above is based on management estimates, current circumstances of our business, current and valid quotations, and the prevailing market conditions. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. Given the nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategies, competitive landscape, negotiation with vendors, variation in cost estimates including due to passage of time, incremental pre-operative expenses, general factors affecting our results of operations, financial condition and access to capital, and other external factors such as interest or exchange rate fluctuations, and changes in the business environment or regulatory climate, which may not be within the control of our Company. This may entail rescheduling and revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from the planned allocation at the discretion of our management, subject to compliance with applicable law. Our historical capital expenditure may not be reflective of our future capital expenditure plans. For further details, please see section titled "*Risk Factors – We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for setting-up a research and development centre at our Naidupeta Facility, Andhra Pradesh and if the costs of setting up and the risk of unanticipated delays in implementation and cost overruns related to the said upgradation are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*" on page 55.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for Objects, we may explore a range of options including utilisation of our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Means of Finance

Our Company proposes to fund the requirements of the Objects from the Net Proceeds. Accordingly, the requirements prescribed under Regulation 7(1)(e) and Paragraph 9(C)(1) of Part A of Schedule VIII 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 Issue and existing identifiable internal accruals, is not applicable.

Details of the Objects

The details of the Objects of the Offer are set out below.

1. **Our Company proposes to invest ₹ 1,153.14 million in our Material Subsidiary, viz. BDJ Oxides for (i) repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Material Subsidiary; (ii) funding capital expenditure requirements for setting up of R&D Centre; and (iii) funding its long-term working capital requirements.**

   The form of infusion of such amount allocated for this object will be, by way of an equity, debt or any other instrument or any combination thereof or through any other manner, which shall be decided by our Board in compliance with applicable law after considering certain commercial and financial factors.

(i) Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Material Subsidiary

Our Company proposes to utilise ₹ 450.00 million towards funding the repayment/prepayment of the loans of BDJ Oxides Private Limited ("**BDJ Oxides**").

As at December 31, 2022, the total outstanding borrowings (including fund based and non-fund based borrowings) of BDJ Oxides amounted to ₹ 546.54 million.

BDJ Oxides has entered into various financial arrangements from time to time, with banks, financial institutions and other entities in the form of, *inter alia*, term loans and cash credit facility. For further details, please see section titled "*Financial Indebtedness"* on page 322. However, the aggregate amount to be utilised from the Net Proceeds towards part or full, repayment and/or pre-payment of all or certain of borrowings (including refinanced or additional facilities availed, if any) in BDJ Oxides and the interest accrued thereon would not exceed ₹ 450.00 million from the Net Proceeds.

Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by BDJ Oxides out of its incremental internal accruals. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds.

The selection of borrowings proposed to be prepaid or repaid amongst the borrowing arrangements availed shall 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/ consents for fulfilment of such conditions; (iii) terms and conditions of such consents and waivers; (iv) provisions of any laws, rules and regulations governing such borrowings; and (v) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

We believe that such repayment and/or pre-payment will help reduce BDJ Oxides' outstanding indebtedness on a standalone basis and in turn our indebtedness on a consolidated basis, debt servicing costs, which will improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company and BDJ Oxides will improve the ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business.

The following table provides the details of outstanding borrowings (fund based) availed of by BDJ Oxides, which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

S. No.	Name of Lender	Date of sanction letter/ facility agreement	Nature of Loan	Rate of interest (% per annum)	Sanctioned amount (in ₹ million)	Total loan outstanding amount as on December 31, 2022 (in ₹ million)(1)	Repayment Schedule	Prepayment penalty / conditions	Purpose for which the loan was sanctioned
1	Bank of Baroda	March 7, 2022	Term Loan - II	8.75	37.90	26.94	Quarterly repayments of ₹ 2.75 million each quarter starting from Jan'20. Tenure - 72 months	Nil	Civil construction and Plant & machineries.
			Term Loan - III	10.45	80.00	68.00	Quarterly repayments of ₹ 4.00 million each quarter starting from Jun'22. Tenure - 60 months		Civil construction and Plant & machineries for expansion project
			Working Capital facility - Cash Credit	8.75	230.00	79.16	-		Working Capital Finance
			- Sub- limit of Cash credit - Letter of Credit (ILC/FLC/SBLC)		230.00				
2.	Citi Bank	October 25, 2021	Cash Credit	Cash Credit - 7.65	710.00	367.20	-	Prepayment Penalty @ 2% on principal outstanding at the	Working Capital Finance
			- Sub Limit of Cash credit -Pre and Post Shipment Finance		650.00				

			- Sub Limit of WCDL	WCDL I – 200 Million (7.13) WCDL II 70 Million (7.42)	650.00			discretion of CITI Bank	
			Term Loan- New I	6.8	80.00	-	Not yet availed		
3.	HDFC Bank Limited	September 7, 2020	Auto Loan	8.1	1.10	0.27	36 Months, (EMI ₹ 34,266/- per month)	Prepayment Penalty @ before 12 months 6%, within 13-24 months 5% and After 24 Months 3%	Vehicle Loan
4.	Daimler Finance Services India Pvt. Ltd.	July 16, 2021	Auto Loan	7.1	6.30	4.74	60 Months, (EMI ₹ 1,25,058/- per month)	Prepayment Penalty @ 4% on principal outstanding at the discretion of Daimler Finance Services Pvt. Ltd.	Vehicle Loan
	Total				**1,145.30**	**546.31**			

(1) *As certified by, S. Jaykishan, Chartered Accountants, by way of certificate dated January 4, 2023. In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated January 4, 2023, from the Statutory Auditor certifying that the borrowings have been utilised towards the purposes for which such borrowings were availed.*

For the purposes of the Offer, BDJ Oxides has intimated and has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Offer including consequent actions, such as change in the capital structure, change in shareholding pattern, change in management, amendment to the Articles of Association of our Company and BDJ Oxides, etc.

(ii) Funding capital expenditure requirements for setting up of R&D Centre

We intend to set up a R&D Centre at Naidupeta, Andhra Pradesh. The R&D centre to undertake complex innovations in our products for making the same available to pharmaceuticals, agro-chemicals and battery end-use industries, among others. For further details regarding our strategy please see section titled "*Our Business – Our Business Strategies - Increasing focus on R&D to support complex chemistries, product innovation and cost efficiencies*" on page 181.

Land and Utilities

The land located at Plot No. 10, APIIC Industrial Park, Attivaram (V), Mondal Ozili (M), SPSR Nellore District, Andhra Pradesh 524 421, on which the R&D Centre is proposed to be set up is owned by our Material Subsidiary, namely, BDJ Oxides. The plot is spread across an area of 6,552 square meters, of which approximately 500 square meters is proposed to be utilised for the setting up of R&D Centre.

Estimated cost

The total estimated cost for the proposed R&D Centre, which is proposed to be deployed is approximately ₹53.14 million. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for the proposed R&D Centre, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers / vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency.

The total estimated cost comprises the following:

(in ₹ million)

Sr. No.	Particulars	Total estimated cost	Amount proposed to be deployed in Fiscal 2024
1.	Civil construction and interior development	17.36	17.36
2.	Research and development equipment	35.78	35.78
	Total	**53.14**	**53.14**

Break-up of the estimated cost

The total estimated cost for the proposed R&D Centre comprises the following:

Civil construction and interior development: This will comprise costs towards construction of infrastructure, including the door frame with shutter, aluminium windows, plumbing, painting, fire safety system, fully air-conditioned infrastructure, CCTV system with camera, among others. The total cost estimated for the civil construction and interior development of the R&D Centre is ₹ 17.36 million.

Research and development equipment: This will comprise costs towards purchase of research and development equipment. The total estimated cost for the purchase of research and development equipment proposed R&D Centre is ₹ 35.78 million.

A detailed break-up of such estimated costs towards the proposed R&D Centre is set forth below:

Sr. No.	Particulars	Estimated cost (in ₹ million)	Name of Supplier	Date of Quotation	Validity
A.	***Civil construction and interior development***				

1.	125 thick brick wall 3000 mm height	0.46	Sri Amma Industrial Developers Pvt. Ltd.	September 9, 2022	6 months
2.	External plaster work	0.52			
3.	R.C.C. road casting (M-20)	1.32			
4.	Shuttering work	0.88			
5.	Reinforcement work cutting & binding work	0.41			
6.	230 thick brick wall 3000 mm height	0.67			
7.	Internal plaster work	0.81			
8.	Flooring work	2.71			
9.	Door frame with shutter, window, fitting & fixing	0.47			
10.	Electrical material cost charges	1.00			
11.	Electric labour charges	0.39			
12.	Outside & Inside Painting	0.79			
13.	I. P. S. Flooring work roof with water proofing	0.62			
14.	Plumbing work all pipe, sanitary fitting & fixing	0.36			
15.	Aluminium Window fitting & Fixing	0.03			
16.	Office Furniture	1.60			
17.	Air Conditioners	0.60			
18.	Fire Safety System	0.30			
19.	CCTV System with Camera	0.50			
	Total	**17.36***			
B.	***Research and development equipment***				
1.	Lab fittings and fixtures	3.46[@]	Technico Laboratory Products Private Limited	June 24, 2022	8 Months
2.	COD Digestor	0.09	Hindustan Apparatus Mfg. Co.	June 27, 2022	March 31, 2023
	Muffle Furnace	0.08			
	Precision Lab Oven	0.05			
3.	Shimadzu atomic absorption spectrophotometer (AAS) - AA 7000	2.31	Toshvin Analytical Private Limited	September 13, 2022	6 months
4.	Shimadzu Inductively Coupled Plasma Mass Spectrometer, Model ICPMS-2030 LF	11.68	Toshvin Analytical Private Limited	September 14, 2022	6 months
5.	Elvatech's ElvaX ProSpector 2LE, Handheld XRF Analyser	2.47	Labindia Analytical Instruments Private Limited	September 14, 2022	180 days
6.	Electronic Analytical Balance	0.06	K. Roy Instruments Private Limited	September 14, 2022	6 Months
	Electronic Standard Laboratory Balance				

7.	XRD System	15.58#	Thermo Fisher Scientific India Private Limited	September 19, 2022 and email dated December 20, 2022	March 31, 2023
	Total	**35.78***			

** Inclusive of GST @18%*
@ Inclusive of packing and installation charges
 # The quotation received is for 135,000 CHF. Conversion rate: 1 CHF = ₹ 90.00. Also includes local taxes and freight.

Other expenses

If there is any increase in the estimated costs as mentioned above, the additional costs shall be met from our internal accruals or any additional equity and, or, debt arrangements or general corporate purposes, if required.

The quotations received from vendors in relation to the proposed R&D Centre are valid as on the date of this Draft Red Herring Prospectus. We have not entered into any definitive agreements with vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the equipment at the same costs. The quantity of equipment and other materials to be purchased is based on the present estimates of our management. We shall have the flexibility to deploy such equipment/machinery at the manufacturing facilities, according to the business requirements of such facilities and based on the estimates of our management. For further details, please see section "*Risk Factors – We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for setting-up a research and development centre at our Naidupeta Facility, Andhra Pradesh and if the costs of setting up and the risk of unanticipated delays in implementation and cost overruns related to the said upgradation are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects*." on page 55.

We do not intend to purchase any second-hand or used equipment out of the Net Proceeds.

Our Promoters, Promoter Group, Directors, Subsidiaries, Group Companies and Key Managerial Personnel do not have any interest in the proposed acquisition of the equipment or machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the equipment.

Schedule of Implementation

The civil construction of this R&D project is proposed to commence on receipt of the Net Proceeds (Fiscal 2024) and is expected to be completed within the same Fiscal i.e. Fiscal 2024. For details, please see section titled "*Risk Factor -We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for setting-up a research and development centre at our Naidupeta Facility, Andhra Pradesh and if the costs of setting up and the risk of unanticipated delays in implementation and cost overruns related to the said upgradation are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects."* on page 55.

Government approvals

As on the date of this Draft Red Herring Prospectus, we have not commenced the civil and construction work in relation to our R&D Centre. We do not require any further licenses / approvals from any governmental authorities at this stage of the proposed construction of our R&D Centre, and we will apply for all such necessary approvals that we may require at future relevant stages. For details, please see section "*Risk Factors - Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.*" on page 39.

(iii) Funding its long-term working capital requirements

We sell over 80 grades of zinc oxide manufactured across all our plants to cater to our variety of customers for a wide spectrum of industrial applications in the rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed. We sell our finished goods in the domestic as well as international markets.

All these factors may result in increase in the quantum of working capital requirements. We intend to expand our operations by increasing the utilisation capacity, enhance our presence in overseas markets and expand our product portfolio by investing in our product development technologies and infrastructure. All these factors may result in increase in the quantum of working capital requirements.

Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from banks by way of working capital facilities. Our business requires a significant amount of working capital in the operation our Naidupeta manufacturing unit, which is run by our Material Subsidiary. Accordingly, we propose to utilise the Net Proceeds for making an investment into our Material Subsidiary, in order to meet the working capital requirements therein. The deployment of net proceeds shall be on a need basis over the course of the Fiscals 2024, 2025 and 2026, in accordance with the working capital requirements of our Material Subsidiary.

Existing Working Capital

The details of working capital requirement of our Material Subsidiary as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and the source of funding, on the basis of audited standalone financial statements of our Material Subsidiary, as certified by Ramesh Verma & Co., Chartered Accountants through their certificate dated January 4, 2023, are provided in the table below:

(in ₹ million)

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current assets				
(a) Inventories	496.08	448.54	293.99	214.69
(b) Trade receivables	669.02	546.89	508.99	217.27
(c) Loans & Advances	-	-	-	-
(d) Other current assets	111.49	134.79	115.68	46.30
(e) Other Financial Assets	25.95	12.06	17.72	0.46
(f) Current Tax Assets (Net)	-	-	-	-
Total current assets (A)	**1,302.54**	**1,142.28**	**936.38**	**478.72**
Current liabilities[(1)]				
(a) Trade payables	13.08	21.62	38.64	10.49
(b) Provisions	2.70	5.74	-	0.02
(c) Other current liabilities	9.68	17.57	9.53	4.91
(d) Other Financial Liabilities	23.86	22.33	22.91	18.98
(e) Current Tax Liabilities (net)	21.14	8.41	21.58	-
Total current liabilities (B)	**70.46**	**75.67**	**92.66**	**34.40**
Total working capital requirements (A-B)	**1,232.08**	**1,066.61**	**843.72**	**444.32**
Funding Pattern				
Working capital Funding from banks[(1)]	383.40	587.98	432.15	230.85
Internal accruals / unsecured loans	848.68	478.63	411.57	213.47

[(1)] *Excluding current maturities of long-term debt and unsecured borrowings*

Expected working capital requirement

On the basis of existing working capital requirement of our Material Subsidiary on a standalone basis, and assumptions for such working capital requirements, the incremental and proposed working capital requirements for Fiscals 2023, 2024, 2025 and 2026 along with the proposed funding of such working capital requirements, as noted by the Board of Directors of our Company and approved by the board of directors of our Material Subsidiary, pursuant to resolutions each dated January 4, 2023, respectively, are as set forth below:

(in ₹ million)

	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
I. Current Assets				
(a) Inventories	480.29	696.02	789.54	853.94
(b) Trade receivables	823.35	1,142.49	1,256.36	1,330.81
(c) Loans & Advances	-	-	-	-
(d) Other current assets	198.70	274.48	278.39	277.75
Total current assets (A)	**1,502.34**	**2,112.99**	**2,324.29**	**2,462.50**
II. Current liabilities				
(a) Trade payables	67.49	93.70	105.16	113.57
(b) Provisions	5.70	5.70	5.70	5.70
(c) Other current liabilities	11.44	11.24	11.24	11.24
(d) Current tax liabilities (net)	-	-	-	-
Total current liabilities (B)	**84.63**	**110.64**	**122.10**	**130.51**
III. Total working capital requirements (C=A-B)	**1,417.71**	**2,002.35**	**2,202.19**	**2,331.99**
iV. Funding Pattern				
(a) Internal accruals (including Equity)*/Borrowings**	1,417.71	1,802.35	1,752.19	1,681.99
(b)Net Working Capital Requirement	**0**	**200.00**	**450.00**	**650.00**
(c) Amount proposed to be utilised from Net Proceeds	**0**	**200.00**	**250.00**	**200.00**

**Internal accruals and equity as per audited standalone financials of BDJ Oxides for the 6 months period ended September 30, 2022 is ₹ 880.28 million.*
*** As on December 31, 2022, BDJ Oxides has ₹ 940.00 million of working capital sanction loan.*

Pursuant to the certificate dated January 4, 2023, Ramesh Verma & Co., the Chartered Accountants has compiled and confirmed the working capital estimates and working capital projections.

The table below contains the details of the holding

levels (days) considered:Inventory Days:

As at March 31, 2026 (assumed)	As at March 31, 2025 (assumed)	As at March 31, 2024 (assumed)	As at March 31,2023 (assumed)	As at March 31, 2022	As at March 31, 2021	As at March 31,2020
35	35	35	35	44	40	43

Trade Receivable Days:

As at March 31, 2026 (assumed)	As at March 31, 2025 (assumed)	As at March 31, 2024 (assumed)	As at March 31, 2023 (assumed)	As at March 31,2022	As at March 31,2021	As at March 31,2020
50	50	50	50	55	72	45

Trade Payable Days:

As at March 31, 2026 (assumed)	As at March 31, 2025 (assumed)	As at March 31, 2024 (assumed)	As at March 31, 2023 (assumed)	As at March 31,2022	As at March 31,2021	As at March 31,2020
5	5	5	5	0	4	0

Key justifications for holding levels

Sr. No.	Particulars	Assumptions
1.	Inventories	- Raw materials: Material Subsidiary is holding inventory of Raw Material for at least 25 days, in order to have the required critical raw materials in stock to cater to the required manufacturing due to the demand for the products of the Material Subsidiary
		- Finished Goods: Material Subsidiary typically maintains a low level of inventory i.e. 10 days of finished goods due to the demand from various customers based on which the products are manufactured. Material Subsidiary usually manufactures the finished goods as per the orders received, and hence the finished goods are not in inventory for more than ten days.
2.	Trade Receivables	- Material Subsidiary typically offers a credit period of about 50 days to its customers, the same is expected to be at the same level for Fiscal 2024, 2025 & 2026.
3.	Trade payables	- Material Subsidiary typically gets an average credit period of 0 to 4 days, it is expected to be 5 days for Fiscal 2024, 2025 & 2026.
4.	Provisions	- These are short term in nature and are assumed at a constant level.

The utilization of proceeds in a particular financial year may vary on the requirement of business. However, the overall utilization from Net Proceeds will remain within ₹ 650.00 million.

2. Funding long-term working capital requirements of the Company

We sell over 80 grades of zinc oxide manufactured across all our plants to cater to our variety of customers for a wide spectrum of industrial applications in the rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed. We sell our finished goods in the domestic as well as international markets. All these factors may result in increase in the quantum of working capital requirements. We intend to expand our operations by increasing the utilisation capacity, enhance our presence in overseas markets and expand our product portfolio by investing in our product development technologies and infrastructure. All these factors may result in increase in the quantum of working capital requirements.

Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from banks by way of working capital facilities. Accordingly, we propose to utilise the Net Proceeds in order to meet such working capital requirements. The deployment of net proceeds shall be on a need basis over the course of the Fiscals 2024, 2025 and 2026, in accordance with the working capital requirements of our Company.

Existing Working Capital

The details of Company's working capital as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and the source of funding, on the basis of audited standalone financial statements of our Company as certified by Ramesh Verma & Co., Chartered Accountants by way of their certificate dated January 4, 2023, are provided in the table below:

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current assets				
(a) Inventories	217.82	434.12	192.42	240.69
(b) Trade receivables	508.49	400.83	388.96	282.29
(c) Loans & Advances	219.50	-	4.50	17.20
(d) Other current assets	84.55	92.68	144.60	116.15
(e) Other Financial Assets	83.96	76.01	43.42	57.85
(f) Current Tax Assets (Net)	-	-	-	0.18
Total current assets (A)	**1,114.32**	**1,003.64**	**773.90**	**714.36**

Current liabilities[(1)]				
(a) Trade payables	63.62	31.49	33.29	20.40
(b) Provisions	5.78	5.63	1.37	2.16
(c) Other current liabilities	3.53	3.56	22.51	2.15
(d) Other Financial Liabilities	17.15	16.60	7.43	5.60
(e) Current Tax Liabilities (net)	33.40	0.19	4.13	-
Total current liabilities (B)	**123.48**	**57.47**	**68.73**	**30.31**
Total working capital requirements (A-B)	**990.84**	**946.17**	**705.17**	**684.05**
Funding Pattern				
Working capital Funding from banks[(1)]	47.49	240.64	218.82	179.17
Internal accruals	943.35	705.53	486.35	504.88

[(1)] *Excluding current maturities of long-term debt and unsecured borrowings*

Expected working capital requirement

On the basis of existing and estimated working capital requirement of our Company on a standalone basis, and assumptions for such working capital requirements, the incremental and proposed working capital requirements for Fiscals 2023, 2024, 2025 and 2026 along with the proposed funding of such working capital requirements, as approved by our Board pursuant to resolutions dated January 4, 2023 are as set forth below:

(in ₹ million)

	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
I. Current Assets				
(a) Inventories	250.40	250.40	552.70	702.92
(b) Trade receivables	429.64	422.01	984.74	1,179.21
(e) Loans & Advances	-	-	-	-
(f) Other current assets	169.20	169.20	169.20	169.20
Total current assets (A)	**849.24**	**841.61**	**1,706.64**	**2,051.33**
II. Current liabilities				
(a) Trade payables	34.81	34.21	79.61	95.49
(b) Provisions	6.10	6.10	6.10	6.10
(c) Other current liabilities	17.20	17.20	17.20	17.20
(d) Current tax liabilities (net)				
Total current liabilities (B)	**58.11**	**57.51**	**102.91**	**118.79**
III. Total working capital requirements (C=A-B)	**791.13**	**784.10**	**1,603.73**	**1,932.54**
IV. Funding Pattern				
(a) Internal accruals (including Equity)*/Borrowings**	791.13	784.10	1,453.73	1,582.54
(b)Net Working Capital Requirement	0	0	150.00	350.00
(b) Amount proposed to be utilised from Net Proceeds	0	0	150.00	200.00

**Internal accruals and equity as per the audited standalone financials of the Company for the 6 months period ended September 30,2022 is ₹ 1,128.90 million.*

*** As on December 31, 2022, the Company has ₹550.00 million of working capital sanction loan.*

Pursuant to the certificate dated January 4, 2023, Ramesh Verma & Co., Chartered Accountants has compiled and confirmed the working capital estimates and working capital projections.

Assumptions for our estimated working capital requirement

The table below contains the details of the holding levels

(days) considered:Inventory Days:

As at March 31, 2026 (assumed)	As at March 31, 2025 (assumed)	As at March 31, 2024 (assumed)	As at March 31,2023 (assumed)	As at March 31, 2022	As at March 31, 2021	As at March 31,2020
35	35	35	35	60	36	38

Trade Receivable Days:

As at March 31, 2026 (assumed)	As at March 31, 2025 (assumed)	As at March 31, 2024 (assumed)	As at March 31, 2023 (assumed)	As at March 31,2022	As at March 31,2021	As at March 31,2020
50	50	50	50	57	76	46

Trade Payable Days:

As at March 31, 2026 (assumed)	As at March 31, 2025 (assumed)	As at March 31, 2024 (assumed)	As at March 31, 2023 (assumed)	As at March 31,2022	As at March 31,2021	As at March 31,2020
5	5	5	5	1	3	1

Key justifications for holding levels

Sr. No.	Particulars	Assumptions
1.	Inventories	- Raw materials: The Company is holding inventory of raw material for at least 25 days, in order to have the required critical raw materials in stock to cater to the required manufacturing due to the demand for the products of the Company
		- Finished Goods: The Company typically maintains a low level of inventory i.e. 5 to 10 days of finished goods due to the demand from various customers based on which the products are manufactured. The Company usually manufactures the finished goods as per the orders received, and hence the Finished Goods are not in inventory for more than ten days.
2.	Trade Receivables	- Company typically offers a credit period of about 50 days to its customers, the same is expected to be at the same level for Fiscal 2024, 2025 & 2026.
3.	Trade payables	- Company typically gets an average credit period of 1 to 4 days, it is expected to be 5 days for Fiscal 2024, 2025 & 2026.
4.	Provisions	- These are short term in nature and are assumed at a constant level.

The utilization of proceeds in a particular financial year may vary on the requirement of business. However, the overall utilization from Net Proceeds will remain within ₹ 350.00 million.

3. General Corporate Purposes

Our Company proposes to deploy the balance of the Net Proceeds aggregating ₹ [●] million towards general corporate purposes and subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which we propose to utilise the Net Proceeds include meeting day to day expenses include short term working capital requirements, meeting any expense of the Company, including salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies, and any other purpose, as considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including the necessary provisions of the Companies Act.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board based on the permissible amount actually available under the head 'General Corporate Purposes' 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 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 Offer related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Bankers to the Offer, including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to 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.

All Offer expenses will be shared, 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 Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively, as mutually agreed and in accordance with applicable law. Any expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders to the extent of its respective proportion of Offer related expenses. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

The estimated Offer related expenses are as under:

Activity	**Estimated expenses(1) (in ₹ million)**	**As a % of the total estimated Offer expenses(1)**	**As a % of the total Offer size(1)**
Fees and commissions payable to BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Offer and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(2)(3)(4)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the auditors, consultants and market research firms to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery expenses	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Amounts will be finalised and included in Prospectus on determination of Offer Price*

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

Portion for Retail Individual Bidders	*[●]% 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.*

No additional bidding charges shall be payable by the Company and Selling Shareholders to the SCSBs on the applications directly procured by them

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

** For each valid application*

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

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

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

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

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

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

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

**Based on valid applications*

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

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

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

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, for the duration as may be approved by our Board.

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

Bridge Financing Facilities

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

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other independent agency.

Monitoring of Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a SEBI registered credit rating agency as the Monitoring Agency for monitoring the utilisation of Net Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation. 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 and continue to disclose, the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such fiscals as required under applicable law, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Net Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly consolidated results. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) and Part C of Schedule II, 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. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors 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 utilisation 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 utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our directors report, after placing the same before the Audit Committee. This information will also be uploaded onto our website.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to our 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 Bengali, the regional language of the jurisdiction where our Registered Office and Corporate Office is located. In accordance with the Companies Act, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act and the SEBI ICDR Regulations.

Other Confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale, no part of the Offer Proceeds will be paid by us as consideration to our Promoters, Promoter Group, Directors, Key Managerial Personnel, or Group

Companies. Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Promoters, Promoter Group, Directors and Key Managerial Personnel or the Group Companies in relation to the utilisation of the Net Proceeds. Further, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, Directors, Key Managerial Personnel, Subsidiaries or Group Companies.

BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company in consultation with the Selling Shareholders and the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. The financial information included herein is derived from our Restated Consolidated Financial Information.

Investors should read the below mentioned information along with the sections titled "*Our Business*", "*Risk Factors*", "*Management Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 172, 32, 291 and 235, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Leading market position with a diversified customer base;
- High entry barriers in key end-use industries;
- Strong and consistent financial performance;
- Long-term relationships with customers and suppliers & having robust supply chain;
- Experienced and dedicated management team; and
- Focus on long term sustainability with environmental initiatives and safety standards

For further details, please see section titled "*Our Business – Competitive Strengths*" on page 174.

Quantitative Factors

Certain information presented in this chapter is derived from the Restated Consolidated Financial Information. For further details, please see the section titled "*Restated Consolidated Financial Information*" and "*Other Financial Information*" on pages 235 and 288, respectively.

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

1. Basic and Diluted Earnings per Share:

As derived from the Restated Consolidated Financial Information:

Fiscal / period ended	Basic Earnings per Share (₹)	Diluted Earnings per Share (₹)	Weight
March 31, 2022	12.61	12.61	3
March 31, 2021	7.39	7.39	2
March 31, 2020	4.08	4.08	1
Weighted Average*	**9.45**	**9.45**	**-**
Six months period ended September 30, 2022**	**10.93**	**10.93**	

** As on March 31, 2022, the Company's paid-up equity share capital was ₹12,200,000 comprising 1,220,000 Equity Shares of face value of ₹ 10 each. Subsequently, the Company issued 30,500,000 Equity Shares of face value of ₹ 10 each pursuant to a bonus issue on June 21, 2022 in the ratio of 25 Equity Shares for 1 Equity Share held. Accordingly, the aforesaid bonus issue is retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with Ind AS 33.*
***Not annualised*

Notes:

a) *Weighted average = Aggregate of year-wise weighted earning per Equity Share divided by the aggregate of weights i.e. (earning per Equity Share x weight) for each year/total of weights.*

a) *Earnings per Equity Share (basic) =Net Profit after tax, as restated, attributable to owners of the Company divided by Weighted average number of Equity Shares outstanding at the end of the year.*
b) *Earnings per Equity Share (diluted) =Net Profit after tax, as restated, attributable to owners of the Company divided by Weighted average number of Equity Shares outstanding during the year including compulsorily convertible non-cumulative preference shares.*
c) *Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33'Earnings per Share', notified by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
d) *Weighted average number of Equity Share is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific Equity Share are outstanding as a proportion of total number of days during the period. The above statement should be read with significant accounting policies and notes on Restated Consolidated Financial Information as appearing in the Restated Consolidated Financial Information.*

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

Particulars	P/E at Floor Price (no. of times)*	P/E at Cap Price (no. of times)*
Based on basic EPS of ₹ 12.61 as per the Restated Consolidated Financial Information for the year ended March 31, 2022	[●]	[●]
Based on diluted EPS of ₹ 12.61 as per the Restated Consolidated Financial Information for the year ended March 31, 2022	[●]	[●]

** To be updated in the Prospectus.*

Notes:
(1) The price/ earnings (P/E) ratio is computed by dividing the price per share by earning per share.
(2) Basic and Diluted EPS are adjusted for the Bonus Issue of Equity Shares allotted on June 21, 2022.

2. Average Return on Net Worth ("RoNW")

As derived from the Restated Consolidated Financial Information:

Fiscal/period ended	RoNW* (%)	Weight
March 31, 2022	27.09	3
March 31, 2021	21.61	2
March 31, 2020	15.25	1
Weighted Average**	**23.29**	
Six months period ended September 30, 2022***	19.02	

** RoNW is calculated as a ratio of Net Profit after tax as restated (PAT), attributable to equity shareholders of the parent, for the relevant year / period, as divided by Net Worth. Net worth is equity share capital, other equity (including Securities Premium, and Surplus/ (Deficit)in the Statement of Profit and Loss, and other comprehensive income but excluding Capital Reserve arising on consolidation,)*

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

****Not annualised*

3. Net Asset Value per Equity Share ("NAV")

Net Asset Value per Equity Share	(₹)
As on September 30, 2022*	57.45
As on March 31, 2022***	46.55
After the Offer	
-At the Floor Price	[●]
-At the Cap Price	[●]
Offer Price**	[●]

**Not annualised*

*** Offer Price per Equity Share will be determined on conclusion of the Book Building Process, and this is not derived from Restated Consolidated Financial Information.*

**** The NAV as on 31st March 2022 is ₹1,210.31 per share. However, pursuant to a resolution of Board of Directors of the Company dated 25th May,2022 and after shareholders' approval in the EGM dated 31st May,2022, the Company has issued 30.5 million shares in the ratio of 25 shares each for every 1 share held. Hence, the pre-offer NAV as on March 31, 2022 is ₹ 46.55 per share, after adjusting for this post fact event.*

Notes:

Net Asset Value (in ₹) = Equity attributable to owners of the Company but does not include reserves created out of revaluation of assets, Capital Reserve arising on consolidation, write-back of depreciation and amalgamation divided by weighted average numbers of equity shares outstanding during the year / period ended adjusted for the impact of Bonus issue after end of the year/period before the date of this Draft Red Herring Prospectus.

5. 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.

6. Key Operational And Financial Performance Indicators:

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 4, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by S. Jaykishan, Chartered Accountants, by their certificate dated January 4, 2023.

The KPIs of our Company have been disclosed in the sections titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*" on pages 172 and 296, respectively. We have described and defined the KPIs, as applicable, in "*Definitions and Abbreviations*" on page 2.

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

Financial KPIs of our Company

(in ₹ million except percentages and ratios)

Key Financial Performance	Six months period ended September 30, 2022*	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations(1)	4,250.72	6,128.30	4,352.98	3,993.91

Key Financial Performance	Six months period ended September 30, 2022*	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total Income[(2)]	4,322.03	6,230.47	4,404.05	4,072.69
EBITDA[(3)]	523.14	663.78	486.07	271.41
EBDITA Margin (%)[(4)]	12.31%	10.83%	11.17%	6.80%
PAT	357.13	431.26	287.99	139.53
PAT Margin (%)[(5)]	8.40%	7.04%	6.62%	3.49%
Operating Cash Flows	420.09	67.52	(73.46)	408.67
Net Worth[(6)]	1,822.35	1,476.58	1,084.77	849.51
Net Debt[(7)]	(586.51)	(39.59)	(136.22)	45.39
Debt Equity Ratio[(8)]	0.29	0.62	0.69	0.62
ROCE (%)[(9)*]	21.15%	25.83%	25.27%	18.36%
ROE (%)[(10) *]	20.40%	30.64%	24.23%	16.47%

** Not annualised*

Notes:

(1) Revenue from operation means revenue from sales, service and other operating revenues.

(2) Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.

(3) EBITDA means Profit before depreciation, finance cost, tax and amortization

(4) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.

(5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss 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, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.

(7) Net Debt is total of short term borrowing, long term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.

(8) Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long term debt) and equity share capital plus other equity.

(9) Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short Term Borrowing.

(10) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Operating Cash Flows	Operating cash flows activities provides how efficiently our company generates

	cash through its core business activities.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net Debt	Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets
Debt-equity ratio (times)	The debt to equity ratio compares an organization's liabilities to its shareholders' equity and is used to gauge how much debt or leverage the organization is using.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

7. Set forth below are the details of comparison of key performance of indicators with our 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 a comparison of key performance indicators of industry with our Company.

8. Weighted average cost of acquisition

a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

There has been no issuance of Equity Shares or convertible securities, other than Equity Shares issued pursuant to a bonus issue on June 21, 2022, during the 18 months preceding the date of this DRHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

Primary transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this DRHP:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ million)
June 21, 2022	30,500,000	10	Nil	Bonus Issue	N.A.	Nil
Weighted average cost of acquisition (WACA)						**Nil**

d) Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	**[●]** times	**[●]** times
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA^^	**[●]** times	**[●]** times
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	Nil	**[●]** times	**[●]** times

Note:
^There were no primary / new issue of shares (equity/ convertible securities) other than Equity Shares issued pursuant to a bonus issue on June 21, 2022, in last 18 months and three years prior to the date of this Draft Red Herring Prospectus.
^^ There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) transactions in last 18 months from the date of this Draft Red Herring Prospectus.
** To be updated at Prospectus stage.*

Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators and financial ratios for the six months ended September 30, 2022 and the Fiscals 2022, 2021 and 2020.

[●]*
**To be included at Prospectus Stage*

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

[●]*
**To be included at Prospectus Stage*

The Offer Price will be [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company in consultation with the Selling Shareholders and the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the Selling Shareholders and the BRLMs, is justified of the Offer Price in view of the above qualitative and quantitative parameters. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "*Risk Factors*" on page 32 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
J.G. Chemicals Limited
34A, Metcalfe Street
Kolkata – 700 013
West Bengal, India

Re: Proposed initial public offering of equity shares of face value of ₹ 10/- each (Equity Shares) by J.G. Chemicals Limited (Company) comprising a fresh issue of Equity Shares and an offer for sale of Equity Shares by Selling Shareholders (Offer).

We, S. Jaykishan, Chartered Accountants (FRN: 309005E), the statutory auditors of the Company, hereby report that the enclosed statement is in connection with the possible special tax benefits available to (i) the Company and, (ii) to the shareholders of the Company and (iii) material subsidiary of the Company, BDJ Oxides Private Limited; identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**Material Subsidiary**), under applicable tax laws presently in force in India including the Income Tax Act, 1961, as amended by the Finance Act, 2022, read with rules, circulars and notifications issued thereunder (**Act**) i.e. applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24, presently in force in India and under indirect taxation laws presently in force in India, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017,the applicable States' Goods and Services Tax Act, the Customs Act, 1962 (**Customs Act**) and the Customs Tariff Act, 1975 (**Tariff Act**), as amended by the Finance Act 2022 including the relevant rules, notifications and circulars issued thereunder, Several of these benefits are dependent on the Company, its shareholders, and Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders, and Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions prescribed under the relevant statutory provisions, which based on business imperatives, the Company, its shareholders and Material Subsidiary face in the future, the Company, its shareholders and Material Subsidiary may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its Material Subsidiary and Shareholders. Further, the benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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.

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

1. The Company, its Material Subsidiary, and /or its shareholders will continue to obtain these benefits in the future; or

2. The conditions prescribed for availing of the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in the Draft Red Herring Prospectus (**DRHP**) to be filed with the Securities and Exchange Board of India (**SEBI**), the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE** and together with the BSE, the **Stock Exchanges**) and the Red Herring Prospectus (**RHP**) and the Prospectus (**Prospectus** and together with DRHP and RHP, the **Offer Documents**), to be filed with the Registrar of Companies, Kolkata at West Bengal (**ROC**) and submitted to the SEBI, and the Stock Exchanges with respect to the Offer, and any other regulatory or governmental authorities, and in any other material used in connection with the Offer and on the websites of the Company and the Book Running Lead Managers in connection with the Offer.

We undertake to update you of any change in the above-mentioned disclosures, in writing until the Equity Shares commence trading on the Stock Exchanges, once we are made aware of any update by the Company or that may considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) 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. We have also 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.

This certificate is for information and for inclusion, in part or in full, in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors to the Offer. We hereby consent to the submission and disclosure of this certificate as may be necessary to SEBI, ROC, Stock Exchanges and any other regulatory or governmental authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law and for disclosure on the websites of the Company and the Book Running Lead Managers.

All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

Yours sincerely,

For S. Jaykishan
Chartered Accountants
Firm Registration No: 309005E

CA Vishal Agarwal
Partner
Membership No.: 315490
Dated: December 22, 2022
Place: Kolkata
UDIN: 23315490BGTKVP6087

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, TO ITS MATERIAL SUBSIDIARY AND TO ITS SHAREHOLDERS UNDER INCOME TAX ACT, 1961 (ACT), THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 AND THE APPLICABLE STATES' GOODS AND SERVICES TAX ACTS.

No	Particulars	Direct Tax	Indirect Tax
I	Special tax benefits available to the Company	Nil	Nil
II	Special tax benefits available to Material Subsidiary	Nil	Nil
III	Special tax benefits available to Shareholders	Nil	Nil

SECTION VI: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Report on Zinc Oxide Industry" dated December 2022 (the "CARE Report") prepared and issued by CARE Advisory Research and Training Limited (CareEdge Research), appointed pursuant to the engagement letter dated May 4, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CARE Report is available on the website of the Company at https://jgchem.com/governance/. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For further details, see "Risk Factors – "Certain sections of this Draft Red Herring Prospectus contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 53. Also see section titled, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 18.

While preparing its report, CARE Advisory Research and Training Limited (CareEdge Research) has also sourced information from publicly available sources, including our Company's financial statements available publicly.

1. ECONOMIC OUTLOOK

1.1. Global economy outlook

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in July 2022, the world economy grew by 6.1% in CY21 majorly due to economic recovery and the lower base. For CY22, projection for global economic growth slashed to 3.2% citing disruptions due to the Russia-Ukraine conflict and higher-than-expected inflation worldwide. The IMF projects world economy growth between 2.9%-3.6% on year on year (Y-o-Y) basis for next 5 years.

IMF revises the GDP growth outlook projections downwards

For the major Advanced economies group, the revision in July 2022 growth outlook from previous outlook published in April 2022 is largely negative. One of the major countries from this group is United States. The baseline growth for United States is revised down by 1.4 percentage points and 1.3 percentage points in CY22 and CY23 respectively. This revision indicates significantly less momentum in private consumption and in part reflects the erosion of household purchasing power.

For the Emerging market and developing economies group as well, the revision in July 2022 outlook from the previous April 2022 outlook is broadly negative. This downgrade is primely reflection of sharp slowdown of China's economy and the moderation in India's economic growth. With a 1.1 percentage point downgrade, growth outlook of China for CY22 is estimated to be 3.3%. This is the lowest growth in more than four decades, excluding the initial COVID-19 crisis in CY20. Shanghai, a major global supply chain hub, entered a strict lockdown in April 2022 due to worrisome surge in Covid-19 cases, forcing citywide economic activity to halt for about eight weeks. The worsening crisis in China's property sector is also dragging down sales and real estate investment.

The estimates for India's GDP growth have been kept at 7.4% in CY22 while for CY23 the projection has been made of 6.1%. Compared to the previous outlook released in April 2022, these estimates are downgraded by 0.8 percentage points in both CY22 and CY23. This downgrade is majorly reflection of less favorable external conditions and more rapid policy tightening.

Table 1: GDP Growth Projections for key countries (Real GDP, Y-o-Y change in %)

Country	2021	2022P	2023P
World Output	**6.1**	**3.2**	**2.9**

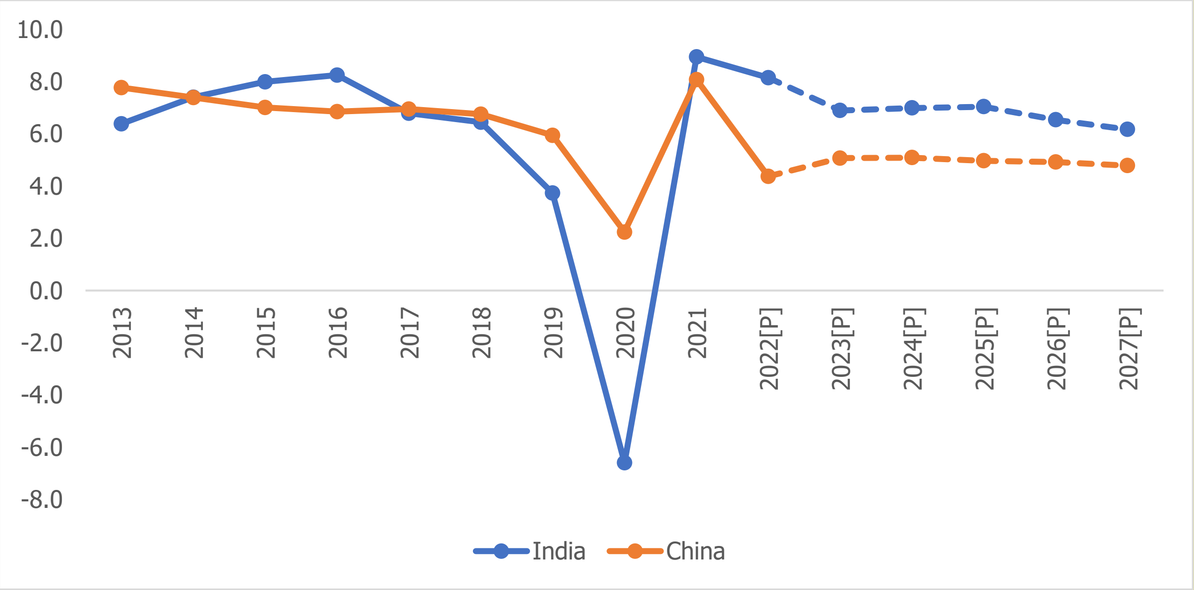
Country	2021	2022P	2023P
Emerging Market & Developing Economies:			
India*	8.7	7.4	6.1
China	8.1	3.3	4.6
Advanced Economies:			
Canada	4.5	3.4	1.8
Japan	1.7	1.7	1.7
United States	5.7	2.3	1.0
United Kingdom	7.4	3.2	0.5

Notes :P-Projection
**For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.*
Source: IMF – World Economic Outlook, July-2022

India probable to remain fastest growing economy transcending China

Despite of the turmoil in last two-three years, India bears good tidings for becoming USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices for India, the current GDP is estimated to be at USD 3.5 trillion for CY22 and projected to be at USD 5.5 trillion by CY27. The expected GDP growth rate of India for coming years is almost double as that of world economy.

Chart 1: GDP growth trend comparison - India and China (Real GDP, Y-o-Y change in %)



P- Projections; Source: IMF, World Economic Outlook Database (April 2022)

Besides this, India stands out as the fastest growing economy in the world. Outshining the growth rate of China, the Indian economy is expected to grow at more than 6% rate in the coming years CY23-CY27.

Indian economy is paving its way towards becoming largest economy in the world. Currently, India is the third largest economy globally in terms of Purchasing Power Parity (PPP) with ~7% share in global economy with China [~17%] on the top and United states [~15%] being second. Purchasing Power Parity is an economy performance indicator denoting price of an average basket of goods and services that a household needs for livelihood in each country. In spite of the pandemic and the geo-political tensions in Europe, India has been one of the major contributors to world economy growth.

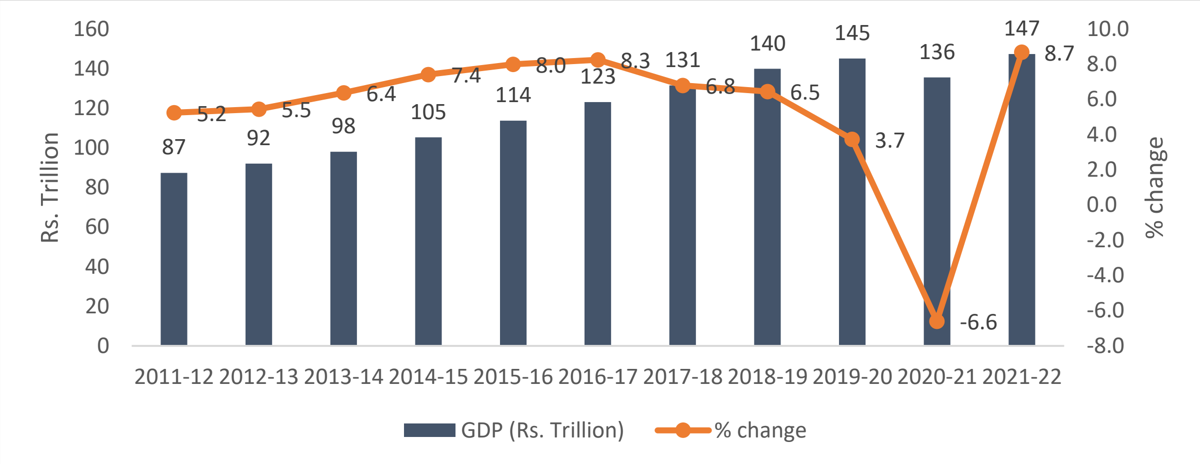
1.2. Indian Economy Outlook

1.2.1 GDP growth and Outlook

Indian economy remaining resilient to external shocks, critical, going forward

The FY21 started with the country being hit by the pandemic which saw lockdowns and restrictions being imposed across states. This impeded economic output in Q1FY21 and led to a year-on-year (y-o-y) decline of 23.8% in GDP. By the end of Q4FY21, the economy preceded the way to recovery. In broader sense, the pandemic resulted to 6.6% of negative growth for the FY21 for the economy.

Chart 2: Trend in India's GDP (₹ Trillion)



Source: MOSPI

The Indian economy bounced back strongly in Q1FY22 with 20.3% y-o-y growth due to low base. The easing of lockdowns and restrictions across states since June coupled with the decline in Covid-19 cases and higher vaccination rate facilitated higher economic activity at a faster than expected and this was reflected in the GDP for the Q2FY22 which grew annually by 8.5%. The dip in Q3FY22 of 5.4% can be attributed to fading base effect. India's economy recorded modest growth at 4.1% in Q4FY22, down from 5.4% in the previous quarter. The economy was hit by the third wave of Covid-19 during the quarter. Global supply bottlenecks due to the Russia-Ukraine dispute and higher input costs did slowed the pace of recovery in the last quarter. Overall, in FY22, India is expected to have witnessed 8.7% growth.

For the FY23, the announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects. However, heightened inflationary pressures and resultant policy tightening may pose risk to the growth potential.

GDP growth outlook

Table 1 : RBI's GDP Growth Outlook (Y-o-Y %)

Month	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23
August 2022 Outlook (April 2022 & June 2022 Outlook - Retained)	16.2	6.2	4.1	4.0	7.2
Feb 2022 Outlook	17.2	7	4.3	4.5	7.8

Source: RBI press release dated Aug 05, 2022; June 08, 2022; April 08, 2022, and February 28,2022

With improvement in demand for contact-intensive sectors and positive business and consumer sentiment, the discretionary spending and urban consumption can be expected to bolster economic growth. Along with growing government support and push towards capex, the investment activities can be foreseen to stay upright through improving bank credit and rising capacity utilization. On the other hand, elevated risks emanating from protracted geopolitical tensions, the upsurge in global financial market volatility and tightening global financial condition also weigh heavily on the growth outlook.

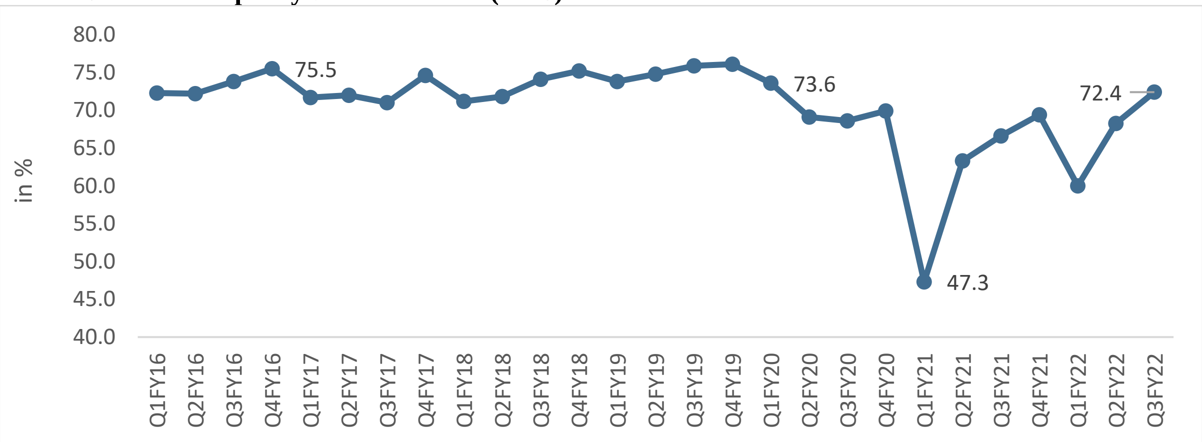
Taking all these factors into consideration, in August 2022, the RBI in its bi-monthly monetary policy meeting continued to retain its real GDP growth projection at 7.2% for FY23. In February 2022 outlook released by RBI, the real GDP for FY23 was pegged at 7.8% which later in April 2022 outlook was pared down to 7.2% and subsequently retained in June 2022 outlook.

The GST collections and capacity utilization levels however have been extending a helping hand towards betterment of the Indian economy which are explained below.

Improvement in capacity utilisation level

The trend in India's capacity utilisation has improved in the past few quarters on account of easing of lockdown restrictions and better economic activities. In Q3FY22, the capacity utilisation level crossed the 70% mark after a gap of 9 quarters and reached the level of 72.4% during the quarter. India had last reported above 70% capacity utilisation rate of 73.6% in Q1FY20. An improvement in capacity utilisation levels reflects higher utility of the capacities available in a country.

Chart 2: Trend in capacity utilisation level (in %)



Source: RBI OBICUS Survey

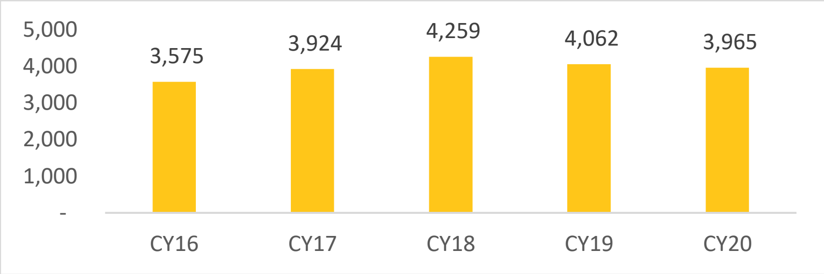
2. CHEMICALS AND SPECIALTY CHEMICALS INDUSTRY

2.1 Global overview

The importance of chemical industry has resulted in proliferation of chemicals across the globe with the industry sales growing at a Compounded Annual Growth Rate (CAGR) of 4.3% from USD 3,575 billion in (Calendar Year) CY16 to USD 4,062 billion in CY19 and is estimated to grow at a CAGR of 5% to 6% through CY27 (CY20 is not considered for CAGR calculation as the year saw an impact of exceptional scenario of Covid-19 pandemic). This growth will largely be driven by developing markets like Asia Pacific (APAC) which are likely to grow at a higher CAGR of around 7%-8% compared to the growth in more matured markets like US and Europe which will be lower at around 2%-4%.

The industry sales are led by a handful of countries. Of USD 3,965 billion sales reported by the global chemicals industry during CY20, sales from 10 countries accounted for a significant share of 86.6% representing USD 3,434 billion of sales during the year. Sales from rest of the world contributed to 13.4% of the total sales in CY20. For CY21, the industry sales is estimated to have crossed around USD 4,100 billion and is yet to breach its CY18 high of USD 4,259 billion.

Chart 3: Trend in global chemical sales (USD billion)

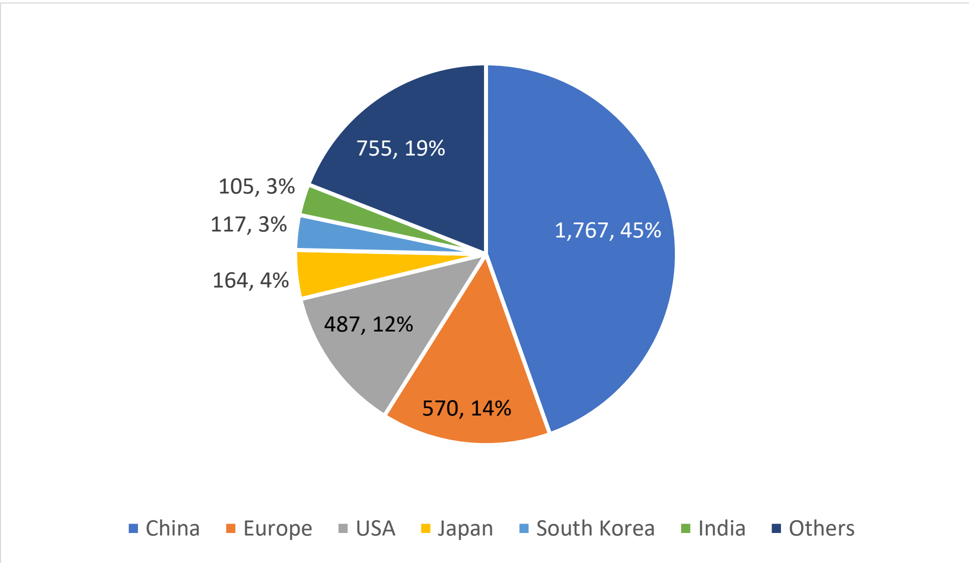


Source: CEFIC, CareEdge Research

Among the top 10 countries by chemical sales, China dominates the world chemical sales (USD 1,767 billion) with a lion's share of 44.6%. This is followed by Europe (27 nations), USA, Japan and South Korea with a share of 14.4% (USD 570 billion), 12.3% (USD 487 billion), 4.1% (USD 164 billion) and 2.9% (USD 117 billion), respectively, in 2020 sales.

India ranked sixth in terms of global chemical sales with a contribution of USD 105 billion and accounted for a share of 2.7% during the year. The other nations that formed part of the top 10 countries in global chemical sales were Taiwan, Brazil, Russia and UK with a share of 1.9%, 1.6%, 1.2% and 1.0%, respectively.

Chart 4: Country-wise international chemical sales (USD billion)



Source: CEFIC, CareEdge Research

Segment-wise sales

The global chemical industry is primarily divided into two broad segments:

- Commodity chemicals
- Specialty chemicals

Commodity chemicals: This segment accounts for the largest share in global chemical sales and contributed around 75%-80% of the total sales.

Commodity chemicals are common chemicals that can be produced in bulk quantities by a large number of chemical manufacturers. Commodity chemicals include plastics, synthetic fibers, films, certain paints and pigments, explosives, and petrochemicals. There is limited product differentiation within the sector; products are sold for their composition. The commodities market is highly fragmented.

The end user markets include other basic chemicals, specialties, and other chemical products; manufactured goods such as textiles, automobiles, appliances, and furniture; and pulp and paper processing, oil refining, aluminum processing, and other manufacturing processes. Markets also include some non-manufacturing industries.

Specialty chemicals: This segment contributes about 20%-25% of the aggregate global chemical sales. These chemicals are low-volume but high-value compounds and are used for specific purposes rather than general applications. Some of the specialty chemicals involve agrochemicals and fertilizers, paints and coatings, dyes and pigments etc.

The specialty chemicals market is characterized by high value-added, low volume chemical production. These chemicals are used in a wide variety of products, including fine chemicals, additives, advanced polymers, adhesives, sealants and specialty paints, pigments, and coatings. The specialty market is extremely fragmented.

Similar to the commodity sector, the specialty sector is affected by high costs of energy and feedstock. Intangible value issues include heightened emphasis on research, customer migration to alternative products, and the impact of regulations on products.

Production of specialty chemicals involves the usage of zinc oxide and thus growth in demand for specialty chemicals will augur well for the zinc oxide industry.

Zinc oxide is an inorganic compound, white in colour and insoluble in water and finds its applications in various end user industries like rubber, rubber made products (like tyre, footwear, gloves, eraser etc.), ceramics, paints, fertilizers, pharma, personal care, cosmetics, agrochemicals, nutraceuticals, batteries, additives, feed, specialty chemicals among others.

Key trends in global chemicals industry

- **Shift in preference from China to India**

China has been focusing on pollution control and has been encouraging stricter environment norms for some years now. This has resulted in temporary close down or shutdown of various plants across various industries including chemicals in China. Consequently, such regulations provided an opportunity to India as some global manufacturers that source chemicals from China may look for other sources to avoid any major disturbances in their supply chain and to set up their manufacturing facilities. In addition to this, trade conflicts like the US-China trade war which has affected global supply chains, has also provided a chance to other nations including India to take advantage of such affairs. Moreover, some countries are expected to reduce their dependence on China in the post-Covid era, which is also expected to enhance the opportunities for India's chemicals industry both in terms of sales and production facilities.

- **Growth in environment friendly chemicals**

Environmental concern has become a major challenge in this 21st century. Therefore, sustainable development and use of eco-friendly products has increased in the past few years across all major industries.

In the chemicals industries usage of green chemicals has increased manifold. Green chemicals are eco-friendly biodegradable products providing high performance. They are easy to manufacture, use and dispose. Manufacturing industries uses large amounts of harmful chemicals in their production process, thereby causing alarming effects on the environment. Therefore, number of steps have been taken to make manufacturing processing greener. These include use of green chemicals, greener fiber, greener dyes, greener solvents and elimination of hazardous chemicals.

2.2 India overview

The Indian chemicals industry is widely diversified to include more than 80,000 commercial products. This includes basic chemicals and its products, petrochemicals, fertilizers, paints, varnishes, gases, soaps, perfumes and toiletry and pharmaceuticals. Chemicals industry is significantly important for agricultural and industrial development of India. The industry serves as a building block for several downstream industries, such as textiles, papers, paints, varnishes, soaps, detergents, pharmaceuticals, etc.

According to the Government of India's Department of Chemicals and Petrochemicals Statistics at a Glance 2021, chemical and chemical products sector, excluding pharmaceuticals, accounted for 1.32% of the Gross Value Added (GVA) for all economic activity in 2019-20. The share of GVA in the manufacturing sector during 2019-

20 is about 8.97%. GVA of chemical sector has grown with CAGR of 12.6% during the period 2014-15 to 2019-20.

The size of the Indian chemical industry, excluding pharmaceuticals, in terms of value of output in the year 2019-20 was around Rs.9.3 lakh crore (about USD 132 billion) and it was 8.1% of value of output of manufacturing sector. The size of chemical industry, including pharmaceuticals, in terms of value of output in the year 2019-20 was around Rs.13.2 lakh crore (about USD 187 billion) and it was 11.5% of the total value of output of manufacturing sector. During last six years, i.e. within 2014-15 to 2019-20, real growth rate in output of chemical industry excluding pharmaceuticals industry was 8.1% which was 8.2% for chemical industry including pharmaceutical industry. Growth in value of output for manufacturing sector during the same period was 6.3%.

In 2020, in terms of trade as per the Government of India's Department of Chemicals and Petrochemicals, India ranks 12th in the world exports of chemicals (excluding pharmaceutical products) and ranks 5th in the world imports of chemicals (excluding pharmaceutical products). India's exports of chemicals (excluding pharmaceutical products) was USD 36.6 billion in 2020. India's share in world exports of chemicals (excluding pharmaceutical products) was 2.4% in 2020. India's imports of chemicals (excluding pharmaceutical products) was USD 53.1 billion in 2020. India's share in world imports of chemicals (excluding pharmaceutical products) was 3.4% in 2020.

Chemical sector in India broadly includes major chemicals and petrochemicals. During 2020-21,major chemical production stood at 11.2 million tonnes and petrochemicals output was at 42.2 million tonnes, respectively, as per the Government of India's Department of Chemicals and Petrochemicals.

Of the total chemical market size in India, specialty chemicals account for about 20%-25% of the industry size. The specialty chemicals industry is expected to grow at a faster rate compared to that of overall chemical industry size in India. This will be on account of demand of specialty chemicals from segments like agrochemicals, food additives, construction chemicals, electronic chemicals, water chemicals, polymer additives, dyes and pigments, surfactants among others.

Key trends in Indian chemicals industry

- **Increase in capital expenditure**

One of the key trends in Indian chemicals industry is increase in capital expenditure. India has emerged as a cost-effective alternative to China when it comes to manufacturing facilities. This has provided Indian chemical companies an opportunity to increase their revenues. In addition to this, low cost labor and easily available raw material provides an edge to Indian chemical companies. To cater to the high demand, there is rise in the capital expenditure by them.

- **Growth in research and development by chemical companies**

Manufacturing chemical products requires huge investment on research and development. Indian chemical companies invest towards research and development to capture the untapped market. In addition to this, companies are required to spend on research and development to survive the competition in the market.

- **Rise of environment-friendly chemicals**

Another key trend of Indian chemicals industry is the rise in environment-friendly chemicals. Green chemicals are eco-friendly bio degradable products providing high performance and are easy to manufacture, use and dispose. The rising concern among companies to make the manufacturing process eco-friendly has increased the usage of green chemicals. Rising focus on sustainable development adds up to the use of green chemicals. Though usage of green chemicals at the initial stage is expensive, but in the long term it is cost effective as there is significant price reduction due to continued usage.

- **Growth in application of specialty chemicals**

The past two decades have seen a significant shift in the specialty chemicals industry and as the specialty chemical applications increases; specifically, due to growth in end-use industries like automotive, rubber industry, ceramics, pharmaceuticals & cosmetics, paints & coatings, agrochemicals, nutraceuticals, animal feed and batteries in the India market, the demand for chemicals like zinc oxide will grow exponentially.

High entry barriers in Indian specialty chemicals industry

- **Complex manufacturing process**

The manufacturing process of specialty chemicals is complex and requires deep understanding. In addition to this, the manufacturing process also requires high investment in research and development. Not all companies have the capacity to bear high R&D cost making it difficult for them to enter the industry.

- **Stringent vendor approval process**

Specialty chemical products have to undergo through strict approval process. Getting approvals is not only costly but also takes a very long time. This creates a barrier for the new entrants. The manufacturers need to ensure high product quality and hence have changed their sourcing strategy from having low-cost suppliers to focus on scalability, reliability of supplies, infrastructure, product quality and systems. Large manufacturing companies want to deal with suppliers who have an existing track record. For any change in suppliers, manufacturers have a lengthy and expensive process of testing the product and its impact on the quality of end product.

- **Supplier customer relationship**

Customers select their suppliers after critically evaluating them and therefore choose to have a long-term relationship with them as the cost to change the suppliers involves huge cost.

- **Stringent quality requirement**

Stringent quality requirement is another factor that hinders the entry of new entrants in the specialty chemicals industry. Specialty chemical products have to undergo various quality tests to ensure that their usage is safe and eco-friendly.

3. ZINC OXIDE INDUSTRY

Zinc oxide is an inorganic compound, white in colour and insoluble in water. The chemical formula for zinc oxide is ZnO. Zinc oxide is present in the earth's crust as mineral zincite and usually contains manganese and other impurities. Hence for commercial use it is synthetically made. Zinc oxide has a lot of properties that makes it desirable to various end user industries. It is used as an additives to various products like rubber, ceramics, cosmetics, food supplements, plastics, paints, sealants, batteries, animal feed, etc.

Zinc oxide is produced from two types of raw materials namely zinc metal and zinc scrap (dross). The availability of raw materials impacts zinc oxide prices and production. Zinc oxide produced from zinc metal is of high quality and is the preferred material for production of zinc oxide for purity level of 99.9%. This raw material is used to produce high quality of zinc oxide for end user industries like pharmaceuticals and other specialty applications.

Zinc scrap includes two main types: Zinc Dross and Zinc ash

- Zinc Dross is the scrap that remains after steel is galvanized. This scrap is generated by large steel mills like SAIL, JSW Steel, Tata Steel etc. and by several other galvanizers across the country and globally. The overall availability of Zinc Dross is far less than the total requirement in India. As a result, a significant quantity of Zinc Dross is imported in India.

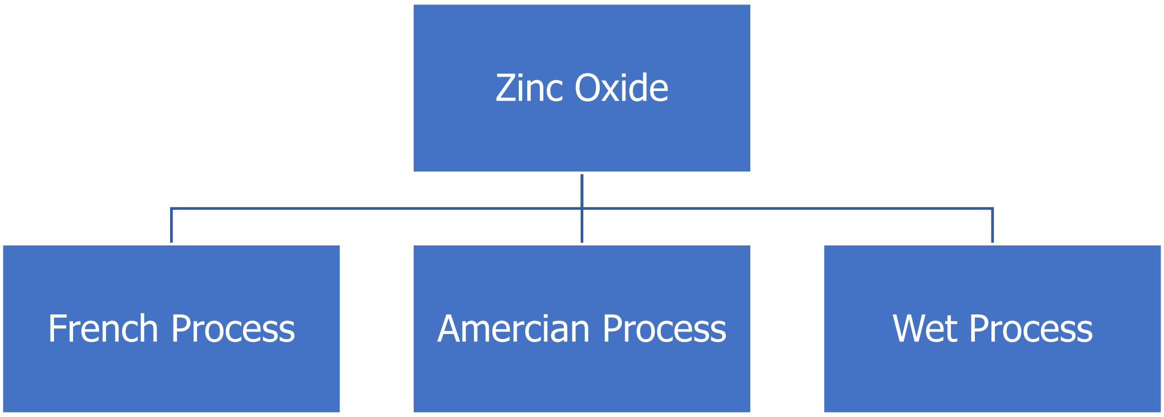
- In addition to Zinc Dross, another by-product is generated during the galvanizing process which is called zinc ash. Zinc ash is used as a raw material to make zinc sulphate, zinc borate, zinc carbonate and various other zinc based chemical derivatives. Similar to the procurement of Zinc Dross which is a challenge, the availability of zinc ash is also a challenge.

- The sourcing of Zinc Dross and ash is a big challenge and domestic availability is not sufficient. Hence developing a strong supply chain poses a big issue for players in zinc oxide and sulphate industry.

3.1 Production Process

Zinc oxide is made through three processes for commercial uses namely, indirect process, direct process and wet chemical process. Globally, French process is the dominant technology and all the major producers in Americas, Europe and Asia have adopted this process. This is because zinc oxide produced from this process is of better quality and has acceptability in all end user applications.

Production processes to manufacture zinc oxide



French process: The indirect process is also known as French process. Here the metallic zinc is melted in silicon carbide / graphite bonded crucibles vapor. It then reacts with oxygen in air to give zinc oxide. Most of the world's zinc oxide is manufactured through the French process as zinc oxide produced through French process has use in all applications and its chemical properties are more conducive.

American process: The direct process, also known as American process, starts with diverse contaminated zinc composites. The zinc precursors are reduced by heating with a source of carbon to produce zinc vapor and then oxidized as in indirect process. Since it is produced from impure zinc and zinc ores, the purity level of zinc oxide is also of lower quality compared to indirect process. Due to this the usability of zinc oxide produced through this process is very restricted and it is slowly reducing as end user application sectors are reluctant to use the product for a variety of reasons like quality, limited supply etc.

Wet process: In the wet chemical process, it starts with aqueous solutions of zinc salts which is precipitated. The solid precipitate is then calcined at high temperatures. A small amount of industrial production is through the wet process. The zinc oxide produced by this technology is slight off-white / yellowish in colour.

Grades of Zinc Oxide

Commercial grades of zinc oxide are divided by purity and by particle size. These categories are due to the difference in the manufacturing process.

Zinc Oxide is not a plain vanilla product where one size fits all. Each industry segment has its own peculiarities in terms of specifications and within each industry, each customer also has different specifications and requirements. The purity range of zinc oxide ranges from 98.50% to 99.90% and within this range various customers have various other specifications with respect to impurities.

Hence, there is an extremely high degree of customization which is required not just in operating parameters but also in plant design and engineering which has to be factored while building new plants.

The usage of Zinc Dross is gradually reducing in the West (like Europe and North America) and is shifting towards Asia. Thus, the zinc oxide manufacturers in Asia who has the ability to use scrap material for majority of end user segments adds as an advantage as it helps in lowering costs. This ability requires technological expertise and demands higher Research & Development by such zinc oxide manufacturers.

3.2 Active Zinc Oxide

Active zinc oxide has larger specific surface area and chemical activity. Active zinc oxide is a good choice for highly specialized applications in a few end user industries. It is a more expensive product than the conventional zinc oxide.

Due to its high chemical activity, it is extensively used in electronics, petroleum and environmental protection industries. Active zinc oxide has emerged as an important semi-conductor and future material for fabrication of low cost, high performance electronic and optoelectronic devices like transparent conductive films, solar cells, LEDs. The global demand for active zinc oxide is actively pushed by electronics industries.

The properties like fineness, chemical purity and particle shape can be adjusted as required for zinc oxide and it has photochemical effect and better UV shielding performance at 98% which is much higher than normal zinc oxide. Since the proportion of metals in active zinc oxide is very low, it does not leave pigment stains and the product is not affected during production.

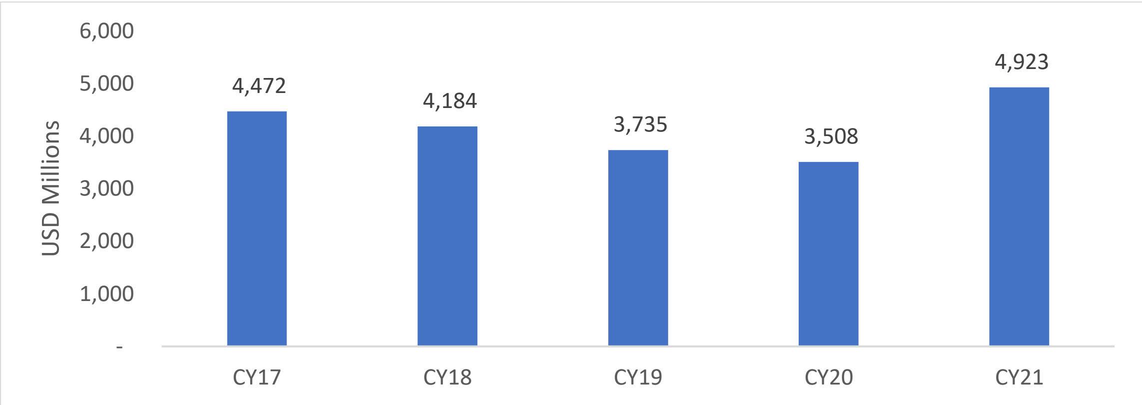
3.3 Global Zinc Oxide Industry

The global zinc oxide market is organized and is fairly consolidated. Production capacities, process of production, grades of ZnO and variety of application segments are some of the factors through which the key players control the market.

3.3.1 Overall Global Market size

During the five-year period CY17 to CY21, the global zinc oxide market size grew from USD 4,472 million in CY17 to USD 4,923 million in CY21 and increased at a CAGR (compound annual growth rate) of 2.4% backed by demand from end user industries.

Chart 5: Global market size of zinc oxide (USD million)



Source: CareEdge Research

During CY20, the industry witnessed decline to USD 3,508 million due to Covid-19 restrictions and lockdown which affected demand from user industries during the year. The situation however improved in CY21, registering around 40% growth to USD 4,923 million, on account of better economic activities backed by lower Covid-19 cases across various regions.

In terms of production, the global output of zinc oxide has been in the range of around 1.40 million tonnes – 1.60 million tonnes during CY17 to CY21as per CareEdge Research.

Going forward, growth in the end user industries is expected to fuel the increase of zinc oxide which has properties like high chemical stability, high electrochemical coupling coefficient, broad range of radiation absorption and high photo stability.

3.3.2 Factors driving growth

Growth in automobile and rubber industry

The market of automobile industry is expected to rise in coming years worldwide on account of increasing disposable income of global population. Expected growth in automobile industry is likely to increase the demand for tyres and thus rubber. The demand for radial tyres is also expected to boost with the increasing demand for passenger cars and two-wheeler segments. The industry is moving towards radialization even in truck and bus segments.

In addition to this, to tap the opportunity in export markets, the automobile companies set up their plants in regions or countries that offer automobile companies certain benefits that helps them to develop strong manufacturing base in these nations and support their exports. For example, international automobile companies like Hyundai Motor, Volkswagen, Kia Motors, Ford have their plants in India that aid automobile exports of these companies from India.

Rubber industry is one of the largest user industries of zinc oxide. This chemical is used for vulcanization of rubber to achieve improved elasticity, resilience, strength, hardness and weather resistance. Vulcanized rubber is used for manufacturing of tyre. Around 50%-60% of zinc oxide produced globally is used for making tyre.

Non-tyre application of rubber in the automobile industry includes air bags that provides safety at time of collision, rubber mats that keeps the vehicle clean and other rubber products like rubber seal and rubber hoses. Thus, demand for zinc oxide is attributable to growth in demand from rubber and various end user industries catering to automobile industry.

In addition to this, rubber finds its application in various other products like footwear, conveyor belts etc. The durability, resistance to slip properties of rubber will also support the demand for rubber industry. Moreover, growth in global healthcare industry will also aid the momentum in rubber used in medical industry that involves latex gloves, tubing, blood pressure cuffs, rubber medical masks, rubber bladders, rubber rollers, rubber cords, diaphragms etc.

- **Ceramics**

Zinc oxide is highly versatile chemical, it is used is various industries and ceramics industry is one of them. It uses zinc oxide to build low thermal expansion and create a glaze. The properties of zinc oxide like high heat capacity, thermal conductivity and high temperature stability are desirable since it reduces the melting temperature, energy and equipment requirement. The global production of ceramics stands at 16,093 million sqm. for CY20. The overall world production increased by 1.7% in CY20 compared to CY19 while consumption in CY20 grew by 2.6% compare to CY19. Asia accounts for 74% of the world production and 71% of the world consumption of ceramics followed by European Union production at 7.6% and consumption at 6.5%.

Zinc oxide is also used for its property that aids varnishes and glazes used in ceramics. The ceramic wall and floor tile glaze, as well as low temperature ceramic glaze, are used increasingly frequently in construction. The ceramics industry is also expanding at a breakneck pace, as a shift in product focus, with glazed vitrified tiles (GVT) and polished glazed vitrified tiles (PGVT) gaining market share.

- **Personal care/ cosmetic products**

In addition to automobiles industry, the consumption of cosmetic and skincare products in developed and developing economies backed by increase in disposable income is also expected to drive market growth. Zinc oxide is used in cosmetic and skin care products as zinc as a potent ingredient is used to treat several skin conditions like inflammation, sun damage, acne, etc. Zinc oxide is a primary element of sunscreen since it blocks UV (Ultra Violet) rays, and does not get absorbed in the skin unlike other chemicals.

Skin care products are gaining popularity due to rising awareness of the effects of UV rays and sun exposure. Skincare products offering sun protection help prevent sunburn and early signs of aging, and shield from high-risk diseases such as skin cancer. They are likely to drive the growth in sales of skincare and cosmetic products going forward. The market size of global skin care market in CY21 stood at USD 112 billion with a growth rate of 7.4% for CY21.

- **Paints and coatings with zinc oxide**

Zinc oxide in paints helps in UV blocking, provide stain-blocking support, corrosion inhibition since it acts as a barrier, water resistance and color retention. It also neutralizes harmful acids, toughens films, and improves durability properties.

Zinc oxide in paints is used as a pigment as well as a coating. It is used in paints for the white pigmentation since it is more opaque than lithopone (mixture of barium sulphate and zinc sulphide). Zinc oxide has replaced white pigment used by painters and as coating it is used to prevent anticorrosive coatings of the metals. The coating of zinc oxide retains its flexibility and adherence for many years and hence is used coil coatings, industrial finishes, and automobile refinish, protective and marine coatings.

There has been growing demand for paints and coating for various purposes. In CY19, the global demand for paints and coatings was at USD 165 billion. The paint and coatings sector include various segments like architectural coatings, automobile OEM coatings, wood finishes, powder coatings, coil coatings, packaging finishes, general industrial finishes, automobile refinish paint, protective coatings and marine coatings. Zinc rich paints are highly anti-corrosive since it acts as a physical barrier. The industry demand is expected to grow by 4% in the medium term.

The market size and growth rate by different segments for paints and coatings sector is given below.

Table 6: Market size of paints and coatings sector by business

Sr. No.	Business	USD Million*	CAGR (CY19-CY24)
1.	Architectural Coatings	67,550	4.2%
2.	General Industrial Finishes	17,700	4.6%
3.	Protective Coatings	16,042	4.4%
4.	Food Finishes	12,223	5.0%
5.	Automobile OEM Coatings	11,279	3.1%
6.	Powder Coatings	10,598	4.7%
7.	Automobile Refinish Coatings	9,242	3.0%
8.	Other Transportation Coatings	6,406	4.4%
9.	Coil Coatings	5,042	3.4%
10.	Marine Coatings	4,323	2.8%
11.	Packing Finishes	4,090	3.0%

**Figures are for year CY2019*
Source: Nippon Paint Holdings Report, CareEdge Research

Other growth drivers

- **Pharmaceuticals**

Zinc oxide is used in pharmaceuticals since it is one of the critical chemicals available for skin care products and cosmetics. It is applied in creams and lotions for skin problems as well as medication for skin issues. It is also used as a skin protection against UV A and B rays, pollution and irritation. This is because zinc oxide contains astringent, soothing and protective properties. In addition, this, zinc oxide finds application in zinc soap, ointment, dental inlays, food powders among others.

- **Agrochemicals**

Agrochemicals are chemicals produced to be used in agriculture like pesticides, insecticides, synthetic fertilizers, and other chemical growth agents. It plays an important role in modern industrialized and intensive farming since it makes possible growth of crops on previously uncultivable lands.

Zinc oxide is used in agriculture for plant protection products, fertilizers, soil improvement, water purification and antimicrobial activities since it is cost effective and environmentally friendly. It contains properties like antimicrobial, antifungal, catalytic that makes it a potential for application in various other fields. Zinc oxide acts as a source of zinc micronutrient without any toxicity risk and they also boost yield and growth of food crops.

- **Nutraceuticals**

Nutraceuticals are food items that possess medical properties along with nutritional value. There has been rapid increase in the demand and consumption of nutraceuticals due to their increasing popularity. The segment has seen an explosive growth in Covid-19 pandemic era. Rising health concerns, aging population and rising income are the major driving forces for this segment for developing economies.

Zinc oxide is used for food fortification i.e. it is deliberately added nutrient to increase the nutritional value. Zinc oxide in used as a supplement to help with zinc deficiency. Results like rapid enhancement of body growth, appetite and hair growth are seen as a result of zinc oxide supplements.

The global market size of nutraceuticals for the CY20 is around USD 200 billion and is expected to grow at a rate of around 4% during the years 2019-2024.

- **Feed**

Animal feed refers to the food and products grown/manufactured for the consumption of poultry, swine, aquatic animals, etc. Zinc oxide is used as a trace element (chemical whose concentration is very low) in livestock. Zinc is an essential trace element since it plays an active role for the function of more than 300 enzymes and hormones.

Trace elements like zinc are essential livestock nutrition since they have important effects on animal growth. Deficiency of zinc causes poor growth, loss of appetite and bad feed conversion rate*.
**feed conversion rate- the weight of feed intake divided by weight gained by the animal.*

- **Batteries**

Batteries industry is emerging as a critical sector in the transition of a more sustainable future. The battery and cell market is expected to grow since the market is shifting to renewable technologies and which would accelerate growth of electric vehicles.

Zinc-carbon dry cells, zinc-silver oxide batteries, nickel oxide-cadmium batteries and secondary batteries use zinc oxide. Zinc oxide is also used as an electrode material, cathodic material and as a fuel element in fuel cells. It also acts as a photo catalyst in solar energy cells.

Zinc oxide battery helps to play a major role in semiconductor ceramic elements for operation at elevated temperatures or high voltages.

- **Specialty Chemicals**

Zinc oxide is used in manufacturing of various other chemicals such as zinc stearate, zinc diacrylate, zinc borate, etc. These chemicals are further used in several applications such as plastics, rubbers, flame retardant materials, etc. Zinc oxide is used to produce various zinc-based chemicals in different industries. Examples are given below:

Table 7: Usage of zinc oxide in different zinc-based chemicals in various industries

Sr. No.	Industry	Chemical	Use
1.	Agricultural	Zinc sulphate	Encourages plant growth
		Zinc nitrate	Corrects zinc deficiencies
		Zinc EDTA	Chelating agent
2.	Construction	Zinc borate	Smoke suppressant, flame retardant
		Zinc octoate & neodecanoate	Paint driers, PVC stabilizers
		Zinc phosphate	Corrosion resistance
4.	Rubber	ZMBT, ZDMC, ZDEC, ZDBC	Accelerators
		Zinc stearate	Mold release agent

		Zinc diacrylate	Golf ball centers
5.	Miscellaneous	Zinc bromide	Oil well drilling fluids
		Zinc citrate	Dental care, human nutrition
		Zinc chloride	Batteries, metallurgical fluxes
		Zinc gluconate	Zinc lozenges
		Zinc resinate	Printing inks

Source: Zochem Inc.

- **Additives**

It is used as an additive in various materials and products like cosmetics, food supplements, plastics, lubricants, sealants, ferrities, adhesives, fire retardants and first aid tapes.

- **Concrete**

Zinc oxide in concrete is able to improve the flexural strength and hence zinc oxide is used. The zinc oxide nanoparticles also improve the pore structure of the self-compacted concrete and shifts the distributed pores to harmless and less-harmful pores, hence improving the mechanical strength. The ZnO nanoparticles acts as a filler to enhance the density of concrete, which reduces the porosity of concrete. This application is currently under development in emerging economies and once large-scale acceptance and deployment of it is achieved, this would support zinc oxide demand. With an expected increase in infrastructure activities like building of highways and roads globally, the scope for zinc oxide application in concrete is significant.

- **Research and development in zinc oxide nanoparticles**

Zinc oxide is one of the most popular metal oxides due to its biocompatibility, economic and low toxicity. In the field of bio-medicine it has emerging potential and other medical fields like anti-cancer and anti-bacterial fields.

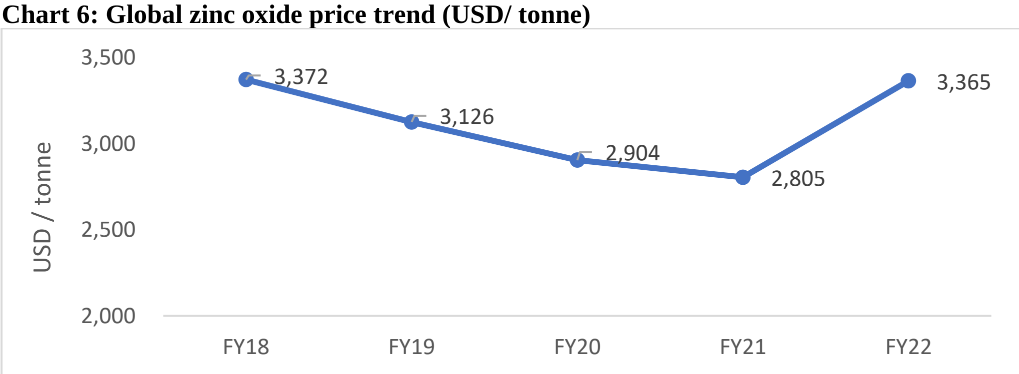
The research and development of zinc oxide nanoparticles have increased the potential of biomedicine, specifically in anti-cancer and anti-bacterial fields. Nanoparticles of zinc oxide generate excess reactive oxygen species, release zinc ions and encourages cell apoptosis (programmed cell death). Zinc also possesses the ability to maintain structural ability of insulin and hence zinc oxide nanoparticles can also be used for antidiabetic treatment and anticancer treatment.

Recently, more industries are exploring the use of zinc oxide. Electronic industry has various uses like semiconductors, laser diodes, LEDs, Li-on battery, spintronics, etc.

3.3.3 Price Trends

Zinc oxide price tend to move in line with that of zinc prices which is the primary raw material for zinc oxide chemical. A deficit in zinc market has caused the zinc prices to average high in FY18 which thus is believed to have resulted in high zinc oxide prices during the year at USD 3,372 per tonne.

Chart 6: Global zinc oxide price trend (USD/ tonne)



Source: CareEdgeResearch

The price of zinc oxide is linked to the prices of zinc metal which is traded on the London Metal Exchange. This is because, the key raw material i.e. Zinc Dross and zinc metal prices are also a derivative of the zinc prices on the London Metal Exchange. Therefore, the producers generally do not have a price risk as the same can be passed to the end user industries except for cases where the producer has inventories back to back locked in prices with customers.

Further, the large zinc oxide producers who cater to major institutional and quality conscious buyers can command a better price on account of specific grades of zinc oxide produced by them which meet the requirements of customers. The specific grade zinc oxide tends to have a high price compared to that of average grade of zinc oxide.

3.4 Indian Zinc Oxide Industry

3.4.1 Industry structure

The Indian zinc oxide industry includes organized players that are limited in number but constitute a major portion of the market, due to the high barriers of the entry into the industry like stringent vendor approval process by tyre manufacturers, raw-material tie ups, technological expertise, and large working capital requirements. The Indian zinc oxide industry is constituted by key organized players like JG Chemicals Pvt Ltd; Rubamin Pvt. Ltd., Transpek-Silox Ltd. that account for about 50% of the Indian zinc oxide market while rest of the market consists of various small zinc oxide producers. As a result, the industry is likely to see consolidation over the medium to long term.

High entry barriers

- **Stringent vendor approval process by Tyre manufacturers**

Tyre manufacturers are under strict scrutiny from the automobile OEM's for product quality. Hence in the last 15 years they have changed their sourcing strategy from having low cost suppliers to focus on scalability, reliability of supplies, infrastructure, systems and product quality and systems. Large tyre manufacturing companies want to deal with suppliers who have an existing track record. For any change in suppliers, tyre manufacturers have a lengthy and expensive process of testing the product and its impact on the tyre quality. Given the life of tyres, the end-to-end testing of a change in product in the market, takes over 5 years in itself. Hence there is resistance to change or add any new suppliers and approvals take significant time over 5 years. Even with existing suppliers, tyre manufacturers insist on taking supplies from the same production facility. Large tyre manufacturing companies want to deal with zinc oxide manufactures who scale up their operations so they can expand rather than dealing with many small/new vendors since the approvals and testing process for zinc oxide done by tyre manufacturing companies is a long and costly process.

Zinc oxide manufacturers which complete this challenging approval process with multinational tyre companies tends to get included in global supplier base.

- **Raw material tie-ups**

Zinc oxide in India is produced from zinc metal and zinc scrap, but majorly zinc scrap is used since it is cheaper.

The overall availability of zinc scrap is far less than requirement and hence it is imported. Most of the zinc scrap that comes from Western countries is through old and established trading houses which operates on long term relationships and refrains to deal with new entrants due to a wide range of complexities associated with dealing in scrap.

One of the key elements for any trading house is to ensure volume stability. Most of these traders have contracts with small and large galvanizers located in different countries. These traders lift the material from these galvanizers and sell it to end users. Therefore, it is very important for them to ensure a) regular business, b) payment safety and cordial customer – supplier relationship. The availability of zinc scrap is a challenge and the biggest constraint for new entrant in the sector is to build a global supply network.

These traders prefer selling scrap to large buyers instead of small buyers since the scrap business operates mostly on advance payment basis. This not only ensures back to back contracts for large quantities but also assures regular payments.

Due to the difficult sourcing pattern for this product, new players are reluctant to enter zinc oxide business. Several zinc oxide facilities have faced supply side constraints due to which they have been forced to shut / curtail production.

- **Technical expertise**

Most of the zinc oxide produced in India is from Zinc Dross. Zinc Dross is scrap and there is no uniform grade of zinc scrap. Every galvanizer generates zinc scrap which is different in terms of quality and thereby the productivity and quality of zinc oxide which can be derived from it will vary. The complex chemistry involved in making zinc oxide with various types of Zinc Dross is a very difficult process. Understanding this process and along with usage of technology to match it with customer specifications is one of the key challenges in the industry. This is because each buyer has a separate specification and there are no standard specifications accepted across any end user applications.

- **Large working capital requirements**

The traders who sell Zinc Dross, the raw material for zinc oxide production, prefers advance payments from zinc oxide manufacturers. Also, sales made by zinc oxide manufacturers to customers is mostly on credit. These credit terms vary depending on customer, industry and the bargaining power of the suppliers. Hence, the working capital requirement is high in zinc oxide industry and thus it acts as a major deterrent for entry of new players.

As the zinc oxide industry has high entry barriers, only those players who have the capability to deal with such challenges (as mentioned above) can survive, while players who do not have the capability to deal with this kind of challenges may witness shutdown of their operations in the future.

3.4.2 Indian Zinc Oxide Market Size

The zinc oxide production in India (in terms of volumes) has been around 100 thousand tonnes – 115 thousand tonnes in the past 5 years (FY18 to FY22). During this period, the Indian zinc oxide market size is estimated at around Rs.18,000 million to around Rs.20,000 million. As per CareEdge Research estimates, the zinc oxide market in India is estimated to be increase by around 10%-12% CAGR from FY22 to FY27.

3.4.3 Consumption pattern of zinc oxide in India

Zinc oxide consumption is primarily divided into three broad categories:

Tyres and rubber industry: This segment account for the largest share of zinc oxide consumption in India. The share of this segment however has reduced in India over the years from an approximate two-third of zinc oxide consumption to more than half of zinc oxide consumption in India following the trend in zinc oxide consumption globally. Internationally, this segment has a lower share of around one third in overall zinc oxide consumption as zinc oxide has high penetration in other segments as well like ceramics and glass, paints, pharma, cosmetics, agrochemicals, feed, specialty chemicals, nutraceuticals, batteries etc. as compared to Indian zinc oxide market.

This, in turn, provides an opportunity for the Indian zinc oxide market to augment the industry's penetration in sectors other than tyres and rubber.

Ceramics and glass industry: The contribution of this segment in zinc oxide consumption in India is around one fifth of overall consumption compared to that of approximate one third global consumption of zinc oxide by ceramics and glass industry. The share of this segment in zinc oxide consumption in India however is expected to augment with usage of zinc oxide in ceramics industry in India in translucent glazes for brick glaze and coarse pottery, as well as transparent coarse glazes for process tableware.

Others: Others segment includes industries like paints, pharma, cosmetics, agrochemicals, feed, specialty chemicals, nutraceuticals, batteries etc. The share of others account for about one fifth of total zinc oxide consumption in India while it has a higher share of around one third in global zinc oxide consumption.

Increase in preference for premium paints, high usage of sun care products, zinc deficiency in Indian soil are some of the factors that will drive the demand from these segments and will expand the contribution of others in India's zinc oxide consumption going ahead like that of global consumption pattern.

3.4.4 Factors driving growth

- **Automobile and rubber industry**

The Indian tyres industry is worth around ₹ 600 billion. With 41 tyre companies and 62 tyre manufacturing plants, this sector produces the largest variety of tyres in the world. The tyre industry has not been much impacted due to the Omicron wave due to its dependence on replacement demand. Vehicles require tyre replacement due to wear and tear which would positively influence the sales of tyres. With the surging demand for replacement tyres, the market is witnessing a healthy growth in this segment. Exports are expected to grow for the tyre industry. Steady demand from major export destinations such as the USA, the UK, and the European nations including Germany, France and Italy supported exports in FY21 and is likely to continue growing forward. India's tyre industry is expected to grow favourably with a CAGR of 8%-10% over the next 5 years by FY27.

The expected growth in project completions by automobile and tyre industries in the upcoming years with an improvement in demand and consumer sentiments is also likely to increase the consumption of zinc oxide. In addition to this, the momentum in EV segment have also led to evolvement of tyres that handles instant torque and higher inertia, carries heavier load provides proper grip and resistance. Going forward, the automobile industry in India is expected to grow at a CAGR of 6%-8% over the next 5 years by FY27.

- **Ceramics**

With the overall real estate market in India witnessing a strong growth, ceramics industry also stands to benefit and observe a robust growth in the coming years.

In India, the real estate industry is one of the major sectors in terms of its direct, indirect and induced effects on the economy. It is the second largest employment generator after agriculture. Broadly, the real estate industry can be classified into residential and commercial real estate. The commercial real estate segment can be further segmented into office, retail and hospitality.

The residential real estate accounts for nearly 80% of the total real estate market in India as it is more end-user driven. The commercial segment depends on employment opportunities in the country, particularly for the office space. Since the demand for office space translates into better employment opportunities and possible relocations, higher investments in commercial real estate translate into increased demand for residences in these localities. Resultantly, the demand for residential real estate is propped up by the demand for commercial real estate.

The share of consumption of ceramic tiles in India is 56%, share of PGVT (polished glazed vitrified tiles) is approximately 33% & GVT (glazed vitrified tiles) has the least share of 11% in the overall tile market. However, over the last few years, the GVT & PGVT segment have shown steady growth. Moreover, the organized segment entities have introduced new sizes and designs in the GVT & PGVT segment (that has application of zinc oxide), in line with global trends, reducing dependency on imports while also providing clients with a wide range of options to meet their specific needs.

In India, the ceramic tile market has been steadily growing over the previous few years. However, the sector was severely impacted by the Covid-19 epidemic. As a result of the labor scarcity, timely project completion has become one of the primary issues for ceramic tile manufacturers during the pandemic. However, once the lockdown was lifted, the business began to see a resurgence in demand, and it is predicted to grow post Covid-19 and is expected to increase at a CAGR of about 6%-8% in the long term.

- **Personal care/ cosmetic products**

The cosmetic and personal care industry is one of the fastest growing consumer sectors in India. The beauty and personal care product market in India is currently valued at USD 26.8 billion and is expected to reach USD 37.2 billion in 2025. The reasons for the same being growing awareness, easier access, and changing lifestyle for the same. 50-60% of India's production is exported to western and middle-eastern markets.

The personal care and cosmetic segment is further divided into body care, face care, hair care and colour cosmetic. Out of the face care category, the sunscreen category is currently in a nascent category in the country and it is expected to grow at high rates. This is because of changing external environment, pollution, and damage caused by UV rays have been more visible and people suffering from skin ailment conditions have increased. The current market size of sun care is expected to be around USD 49 million and growth rate is expected to be approximately 25% moving ahead.

- **Pharma**

Zinc oxide pharmaceutical grade is one of the top chemicals used in the pharmaceutical industry as it is pure up to 99.8% making it completely harmless. It doesn't contain heavy metals like cadmium, lead and mercury. Zinc oxide is used as an API (Active Pharmaceutical Ingredient) for the pharmaceutical industry as it has no allergic reactions, side effects or harmful effects making it a safe choice to be used at a part of drugs required in treatment of skin problems. Zinc oxide is also used in skin products as it protects the skin from harmful ultraviolet rays; in burn ointments it aids healing. Another usage of zinc oxide is in the production of cosmetic and personal care products like bandages, bath soaps, nail products and makeup.

The Indian pharmaceutical industry (IPI) is ranked 3rd globally in terms of volume and 14th in terms of value. The industry size is estimated at about USD 46 billion in FY21 with domestic and export segment each holding a share of around 50% in industry's revenues.

The factors that have been aiding the domestic pharma market includes growth in presence of chronic diseases, increasing per capita income, improvement in access to healthcare facilities and penetration of health insurance. Going forward, the Indian pharma market (including exports) is estimated to rise by around10%.

- **Agrochemicals**

Agrochemicals are used in agriculture to support the growth and safety of plants. They are produced to protect crops from pests and are used for auguring the yields of crops. Agrochemicals are made to prevent crops from insects, diseases and weeds. These pests when not controlled affects the volume and quality of food crops.

Zinc oxide is widely used in agro chemicals industry due to its fertilizing property which adds this micronutrient to soil in India which lacks such micronutrients. Zinc oxide helps in better yield and growth of food crops. The photocatalytic property of zinc oxide makes it an excellent antibacterial agent. As per the Fertilizers Association of India (FAI) of all the micro-nutrient deficiencies in the country, zinc deficiency is highest at 36.5% at all-India level compared to that of iron (12.8%), copper (4.2%), manganese (7.1%) and boron (23.4%).

To address zinc deficiency, the Government of India provides additional subsidy on usage of fortified fertilizers (fortified with boron and zinc) in order to increase their usage. As per Schedule I of Fertilizer Control Order (FCO) 1985, zinc forms part of micronutrients which includes zinc sulphate heptahydrate, chelated zinc as Zn-EDTA, zinc sulphate mono-hydrate, zinc sulphate monohydrate (granular). Also, it is included under fortified fertilizers which consists zincated urea, zincated phosphate (suspension) – for seed treatment, NPK complex fortified with zinc, DAP fortified with zinc and in 100% water soluble complex fertilizers that includes NPK Zn.

The Indian agrochemicals market has grown at a CAGR of 3.3%, ₹.439 billion in 2017-18 to ₹499 billion in 2020-21. The Indian agrochemicals market is estimated to have continued with the growth momentum even in 2021-22 primarily on account of higher exports (that account for a major share in India's agrochemicals market which reported growth of 21.6% during the year. In the long term, the Indian agrochemicals industry is likely to increase at a CAGR of 5%-6%.

- **Nutraceuticals**

Nutraceuticals as a term is coined from the confluence of nutrients and pharmaceuticals and could be defined as food or parts of food that is intended to provide incremental health or medical benefits. It is estimated that within nutraceuticals segment, functional food & beverages accounts for more than 60% of share. Food fortification is an important part of nutrition and wellness industry. While consumers were increasingly becoming conscious of improving their lifestyle and focusing on healthier choices, Covid-19 accentuated the need for easily accessible dietary solutions to improve one's immunity. It is estimated that immunity became the primary concern for health for consumers in 2020.

The market value of nutraceuticals sector in the year 2020 was USD 4 billion making India 2% of the global nutraceuticals market. The expected growth rate for 2019-2024 is around 7%. The Indian nutraceuticals market is sub divided into herbal supplements, functional foods and vitamins and minerals. India also exported 47% of its herbal exports productions and 13% of its dietary supplements produce in 2018.

- **Feed**

Animal feed includes various raw, processed and semi processed products that are used to feed livestock. These products are carefully formulated with the help of nutritional additives, vitamins and minerals to maintain the health of animals and improve the quality of eggs, meat and milk. The market for compound feed is growing due to increasing demand for dairy products, inclination towards animal-based food and international demand for animal feed. Zinc oxide is used in animal feed so as to improve the intake of zinc by these animals.

In the year 2020, demand for overall animal feed was valued at USD 8.3 billion with a growth rate of 4.3% over previous year. India ranks 1st in cattle and buffalo population and is the largest producer of milk and buffalo meat, 2nd largest producer of goat meat and 3rd largest producer of poultry.

The animal feed market in India has potential of USD 6 billion by 2025 while the compound cattle feed had a market potential of USD 400-650 million growing at a CAGR of 16% over the next 5 years. This demand is driven by low organic feed market, penetration and increasing formal offtake.

- **Paints**

The Indian paint market consists of two segments, decorative and industrial paint segment. The paint segment is estimated to be around ₹ 500 billion for the FY20. Decorative paint is mainly used in real estate for interior and exterior wall paints, wood finishes, enamels, undercoats, etc. and forms 75% of the paint market while industrial paint segment refers to paint that go into protective coatings of automobile, marine, packaging, powder, and other general industrial coating. The industrial paint segment consists of 25% of the whole paint segment. Zinc oxide when applied in paints helps increase the life of paints and also protects the paints from UV rays. A positive trend in usage of zinc oxide in paints and coatings is expected due to the increasing preference of premium paints. The preference is due to demand for premium paints that do not wear off easily since zinc oxide increases paint life and durability.

Other growth drivers for the paints industry are its growing affordability, rise in demand from tier 2 and 3 towns, conversion of mud and clay houses to brick and mortar, affordable housing initiatives from government, rising disposable income, median age of population, urbanisation, rising demand from rural markets, etc. The paints market in India is estimated to rise in the range of around 7%-10% going ahead.

- **Batteries**

India is currently at the nascent stage of creating domestic cell manufacturing ecosystem and negligible presence in the global market for manufacturing of advanced cell technologies. But there is enormous potential for large scale battery manufacturing units. The manufacturing within India could allow domestically produced batteries to cater to demand of Evs, grid storage applications, consumer electronics, and other uses. It is estimated that in accelerated case, the annual demand for batteries by 2030 will be around 106GWh to 260 GWh. In terms of market size, the annual market for stationery and mobile batteries could surpass ₹ 1.12 trillion by 2030. Zinc oxide battery helps in operations at elevated temperatures or high voltages.

- **Specialty Chemicals**

Specialty chemicals industry is a sub division of the Indian chemicals industry and forms part of the total chemicals and petrochemicals market in India. The specialty chemicals industry is rising domestically because of the demand from the end user industries like food processing, personal care and home care. Specialty chemicals are also used in oil and gas exploration, mining and refining.

The specialty chemicals sector is growing rapidly in India due to underlying end-market growth and increased usage intensity and new product standard and specifications. The intensity of usage of such chemicals is still at early stage compare and there is scope for growth. Specialty chemicals used in various end user industries like rubber, electroplating, concrete, coatings etc. all require zinc in their formulation. Hence the sector is expected to drive the zinc oxide industry too.

The export of specialty chemicals is expected to rise from India owing to the recovery demand after Covid-19, and shift of global supply from China. It will also be supported by weakened competitive from China due to US-China trade war and China plus one strategy. India is becoming attractive for specialty chemicals due to labor cost advantages, pool of technically qualified manpower, government's thrust to 'Make in India'. Zinc oxide is used to make several chemicals across a wide range of end user industries.

- **Government Initiatives**

India is also a prominent automobile exporter and has strong growth potential in becoming the leading world auto exporter in the future. Moreover, various government initiatives have benefited the auto players which will help in not only growing the Indian vehicle market but also in making India a world leader in two-wheeler & four-wheeler segment. These initiatives, in turn, will also aid the consumption of zinc oxide in the long term.

PLI Scheme for EV

The Union Cabinet has launched PLI scheme (Production-Linked Incentive) for Automobile and Auto Component Industry in India during Union budget 2022-23, that encourages the development of advanced automobile products, the most prominent of which is battery electric technology. The scheme, which has been in the works for some time, offers Rs 26,058 crore (₹. 261 billion) incentive that will be paid out over a five-year period.

PLI Scheme for Electronics Manufacturing

In order to position India as a global hub for Electronics System Design and Manufacturing (ESDM) and push further the vision of the National Policy on Electronics (NPE) 2019, three schemes namely the PLI for Large Scale Electronic Manufacturing (₹.40,951 crore), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) (₹.3,285 crore) and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0) (₹3,762 crore) were notified in April 2020. A fourth scheme, namely the Production Linked Incentive Scheme (PLI) for IT Hardware was notified in March 2021 (₹7,300 crore).

These schemes and increase in EV and electronics market in India are likely to augment the market for zinc oxide which helps in heat dissipation.

Outlook for some major user industries of zinc oxide in India

User industries	Outlook CAGR FY27E
Automobiles	6%-8%
Tyre	8%-10%
Ceramics	6%-8%
Paints	7%-10%
Pharma	~10%-

Source: CareEdge Research
Note: E indicates estimates

3.4.5 Sustainability and ESG to play a key role

Chemical companies, like other sectors are under pressure from investors as well as consumers to improve their Environmental, Governance and Social (ESG) practices across value chain and chemical industries are particularly held accountable for their raw material sourcing and recyclability of the products produced.

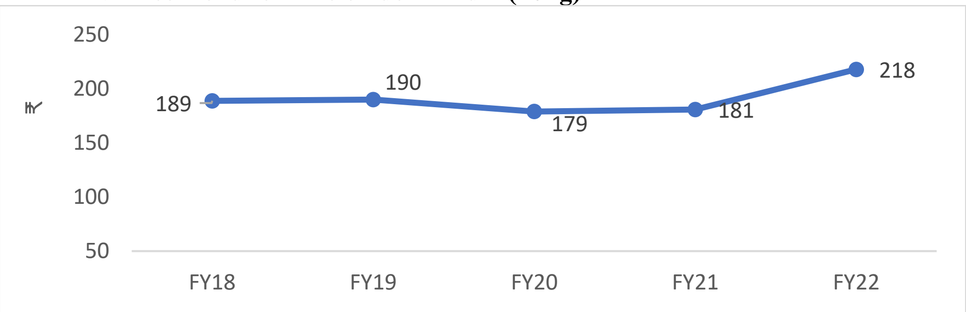
Zinc oxide produced from Zinc Dross, ash and scrap affects the industry in several major ways. It primarily reduces the consumption of raw material inputs (zinc metal) to manufacturing by returning recycled zinc to the value chain.

Recycling zinc scrap for manufacturing zinc oxide helps improve the ESG compliance and rating of the company. Companies having good ESG rating improve their relation with stakeholders, get access to lower-cost capital and it helps in making strategic decision in more effective way. ESG offers a competitive advantage as ESG metrics are also important to consumers, employees, lenders and regulators.

3.4.6 Price Trend

In FY22, the price of zinc oxide increased due to increase raw material price i.e. zinc. Since zinc oxide industry is linked to the zinc LME prices, any movement of the raw material prices is a pass through and gets reflected on the selling price. The industry is fairly well protected in terms of movement in prices of the primary metal index, i.e. LME.

Chart 16: Price trend for zinc oxide in India (₹ /kg)



Source: CareEdge Research

4. TYRES AND RUBBER INDUSTRY

4.1 Global Overview of Rubber Industry

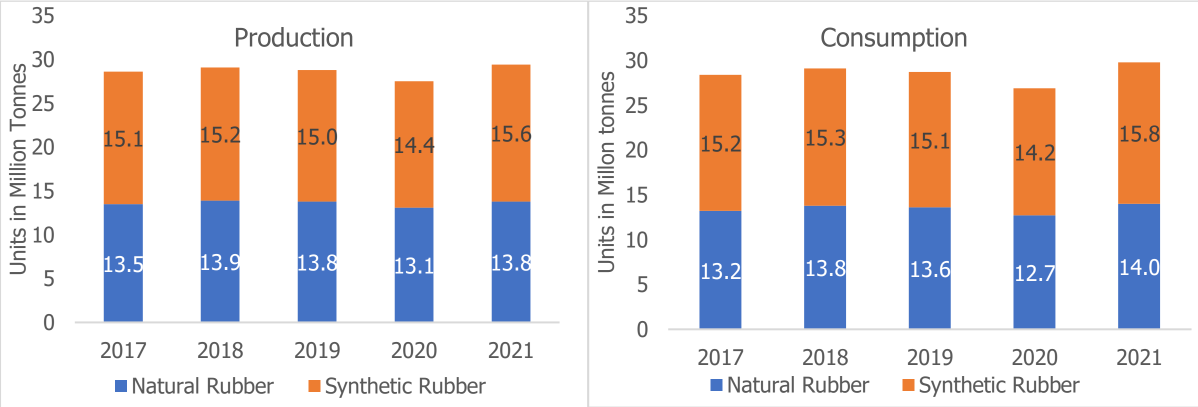
The rubber and rubber products industry is a diverse industry. Rubber products market includes the sale of rubber products such as tyres, rubber sealants, rubber hoses and other rubber products by the organizations for domestic as well as industrial applications. There are numerous applications of rubber in various industrial sectors like adhesives, belting, padding, automobile sector for belts, moldings, hoses, construction for roofing, sealants and other sectors.

There are two types of rubber: Natural Rubber and Synthetic Rubber. Natural rubber is obtained from the latex of the sap trees which is also a vulcanized rubber that is used to manufacture various rubber products. It has high resistance to tensile and tear. Synthetic rubber is the primary raw material used for the manufacturing of rubber products. Its properties include good elasticity, better heat and aging resistance, better abrasion resistance. Synthetic rubber is often used in surgical gloves and drapes, radial tyres, rubber bands, shoe soles. The demand for synthetic rubber has increased due to the growing demand for non-tyre products, increasing automobile production.

4.1.1 Global Production and Consumption of Rubber

The Covid-19 pandemic had affected the manufacturing of rubber products due to global lockdown restrictions and supply chain disruptions. The global production of natural rubber grew by 5.3% to 13.8 million tonnes in CY21 after a fall of 5.1% in CY20. The global consumption of natural rubber also grew by 10.2% to 14 million tonnes in CY21 from a decline of 6.6% in CY20. Thailand, Indonesia and Vietnam have been the top 3 producers of natural rubber and produced 4.8 million tonnes, 2.9 million tonnes and 1.3 million tonnes of natural rubber, respectively, in CY21.

Chart 15: Global Production and Consumption of Natural Rubber and Synthetic Rubber



Source: Malaysian Rubber Council, CareEdge Research

The global production of synthetic rubber grew by 8.3% to 15.6 million tonnes in CY21 from a fall of 4% in CY20. The global consumption of synthetic rubber also grew by 11.3% to 15.8 million tonnes after a decline of 6% in CY20. China, USA and Russia have been the top 3 producers of synthetic rubber and produced 3.6 million tonnes, 2 million tonnes and 1.7 million tonnes of synthetic rubber, respectively, in CY21.

As per National Rubber Policy 2019, the per capita consumption of rubber in India stood at 1.2 kg which is below the global average consumption of 3.6 kg. This signifies an ample scope of opportunity for an increase in rubber consumption by India. For China, the per capita consumption is as high as 6.5 kg.

4.1.2 Key applications and growth drivers of rubber industry

The key applications of rubber industry and growth drivers are mentioned below: -

➢ **Increasing demand in automobile and tyres industry**

- **Tyres usage: -**

Rubber industry is directly related to automobile industry. Tyres are the main components used in the automobile industry where there is maximum rubber usage. The increased production in automobile industry supported by high disposable income and rise in demand for electric vehicles will drive the growth of rubber industry. Also, an increase in tyre replacement demand, which is around 55% of the total tyre demand, will increase tyre consumption, further leading to growth in demand of rubber industry.

- **Non-Tyre usage: -**

Rubber is used for variety of purpose in all the categories of vehicles like transmission systems, foams, tyres, sealants, adhesives and coatings, wipers, blades, moulded parts, flat seals, hoses, engine seals, body and spare parts.

➢ **Other sectors: -**

- **Textile & Footwear industry: -**

A wide range of rubber products are used in the textile industry. Some of the products include rubber coating, rubber footwear, rubber rollers, rubber suits, rubber moulded products. With the increasing demand in footwear industry due to the durability, resistance to slip properties of rubber, the demand for rubber products increase with the growth in the footwear industry.

- **Medical and healthcare industry: -**

Rubber is used for medical supplies and in various products and devices in the medical industry. Some products used in medical industry that involves rubber includes latex gloves, tubing, blood pressure cuffs, rubber medical masks, rubber bladders, rubber rollers, rubber cords, diaphragms etc.

- **Other industries: -**

Other industries where rubber usage is included are aerospace, chemical, construction, defence, mining, petroleum, defence, medical, power generation, printing and paper industries.

➢ **Increased radialization**

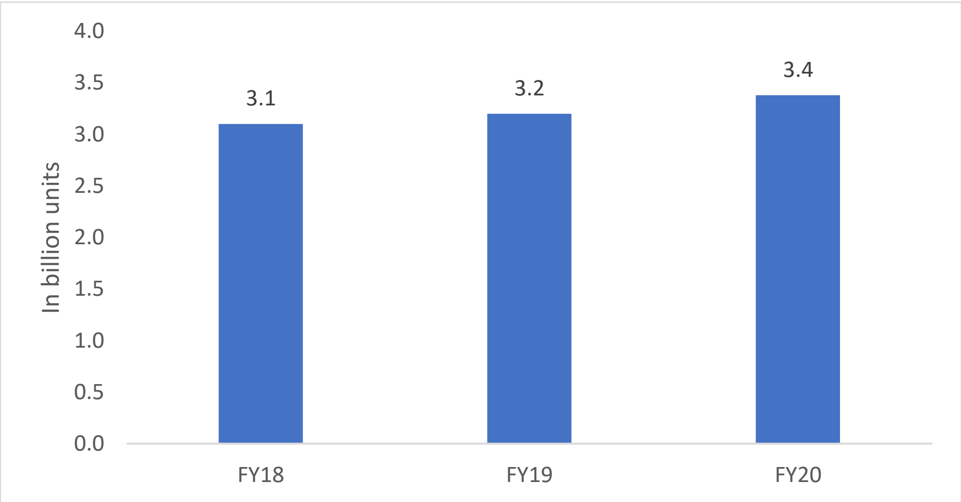
The demand for radial tyres is increasing globally as it consumes less fuel and delivers higher quality tyre life. Increased radialization of tyres that will be used in various categories of vehicles will further increase the demand for rubber.

4.2 Overview of Global Tyres Industry

4.2.1 Overview of Global Tyres Industry

The growth in the global tyres market is driven by expansion in global production and sales of vehicles. The Asia-Pacific region accounts for highest demand due to the technological advancements and key R&D investments by major market players. The global tyres market has been classified into radial and bias tyres. The radial tyres segment is growing faster on account higher vehicle efficiency, reduced fuel efficiency, lower ground damage, lower transverse slip.

Chart 17: Global Tyres Demand



Source: Company Annual Reports, CareEdge Research

The global tyres industry demand grew with a CAGR of 3% from FY18 to FY20. It was primarily driven by increasing vehicle production and increasing demand for radial and premium tyres along with increasing replacement demand. In FY21, the global tyres industry was affected by the mobility restrictions imposed by the government due to the geopolitical tensions around Russia-Ukraine and resurgence of Covid-19 cases in China. In FY22, the tyre industry growth was supported by demand for premium and high-performance tyres specifically in developed markets.

List of top 10 tyres companies in the international market

S. No.	Company	S. No.	Company
1	Michelin	6	Pirelli & C. S.p.A.
2	Bridgestone Corporation	7	Hankook Tire & Technology
3	The Goodyear Tire & Rubber Company	8	Yokohama Tire Corporation

4	Continental AG	9	Zhongce Rubber Group Co; Ltd.
5	Sumitomo Rubber Industries Ltd.	10	Maxxis International

Source: CareEdge Research

4.2.2 Key applications and growth drivers for Global Tyres Industry

- **Growing automobile industry**

The increased production in the automobile industry supported by rising demand for electric vehicles along with increasing preference of personal mobility will drive the growth of global tyres industry. With continued development in infrastructure spending like improved road infrastructure, increased construction activities, rise in e-commerce and the increasing logistics demand will further help in the growth of automobile sector.

- **Increasing demand for agricultural equipment**

There are agricultural tyres used for various agricultural purposes. The farm tractor, forklift, grain carts run on rubber tyres and these are used for a wide variety of special services such as gardening, moving, terrain vehicles. The agricultural tyres are designed in such ways that helps in operating on different requirements.

- **Recovery in construction equipment segment**

Industrial rubber products are highly demanded in the construction industry. Excavators, cranes, fork lifts, concrete mixer machines, lift truck are used for various construction purposes that are all fitted with tyres and tracks made of rubber. With the increasing construction activities, the demand for such vehicles will increase, further increasing demand for tyre.

4.2.3 Outlook for Global Tyres Industry

The global tyres industry is highly competitive market and the demand is primarily driven by increasing vehicle production, rising demand for radial and premium tyres, and increasing replacement demand across various geographies. The automobile industry has gone through various structural changes over past few years which in turn affected the demand in the tyres industry. The replacement demand has significantly higher share as compared to OEM demand. Replacement demand for tyres is at record high in line with improving economic activities. However, transition towards electric vehicles is expected to support demand in the new tyre segment over the long term. The demand for radial tyres is also expected pick-up with the increasing demand for passenger car and two-wheelers. The demand for bias tyres is also expected to gain momentum with the growing demand in the commercial vehicle segment..

Major global tyre companies are planning to shift their production facilities to countries like India, South-East Asia and China to accrue the benefit of low production costs. The global markets, especially Europe and USA have shown good demand traction post pandemic and these markets are looking for a China-plus-one strategy to de-risk supply chains. Many auto companies are also expanding their production in India and this will result in healthy demand growth for tyres. In addition to this, automobile exports from India will also aid the demand for tyres. On an overall basis, developed and emerging economies will continue to recover but growth might be restricted due to higher inflationary pressure, supply chain disruption and the ongoing geo-political tensions.

4.3 Indian Overview on Rubber Industry

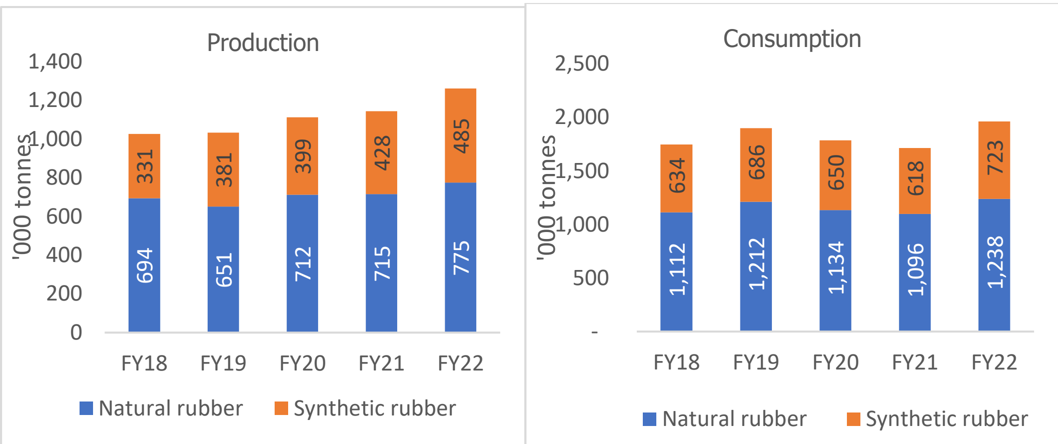
Indian rubber industry is characterized by the co-existence of a well-established rubber production sector and a fast-growing rubber product manufacturing and consuming sector. India is the 5th largest producer of natural rubber. The rubber industry value chain begins from natural rubber plantations and ends with a huge range of dry rubber and latex based products. The key factors which have contributed to the growth of Indian rubber industry are positive intervention of institutional agencies aiming at self-sufficiency and import substitution. The rubber consumption in India is mostly in automobile sector, civil and aviation sector, railways and agricultural transport, pharmaceuticals, steel plants and mines, aeronautic, and textile engineering industries. Its application can be in automobile tyre, bicycle tubes and tyres, belts and hoses, footwear, latex and other products. Traditional rubber-growing states comprising Kerala and Tamil Nadu account for 81% of production. Major non-traditional rubber growing regions are the North Eastern states of Tripura, Assam and Meghalaya, Odisha, Karnataka, Maharashtra and West Bengal. The growth of the rubber industry is enhanced by the boom in the automobile industry and rapid industrialization.

4.3.1 Production and Consumption of Rubber

India is currently the 5th largest producer of natural rubber in the world. The total production in India stood at 775,000 tonnes (0.78 million tonnes) in FY22. Ribbed smoked sheet rubber accounted for around 63% of natural rubber production in FY22 followed by solid block rubber (20%) and latex concentrates (14%) as per the Rubber Board of India.

India is the 2nd largest consumer of natural rubber globally with consumption of around 1.3 million tonnes in CY21. As per the Rubber Board of India, ribbed smoked sheet rubber, solid block rubber and latex concentrates accounted for 42%, 48% and 8%, respectively, in natural rubber consumption during FY22. Around 40% of the total natural rubber consumption in India is at present met from import of rubber. About 70% of natural rubber consumption in India is in the automobile tyres sector.

Chart 18: India Production and Consumption of Natural Rubber and Synthetic Rubber

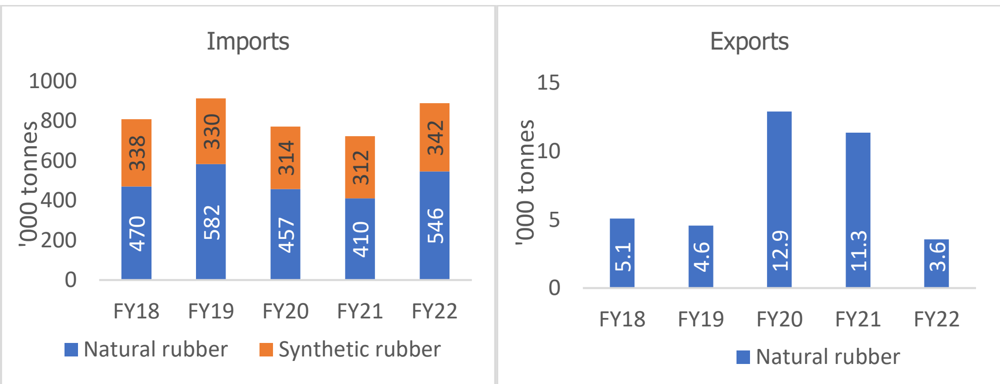


Source: Rubber Board of India, CareEdge Research

4.3.2 Exports and Imports of Rubber

India is dependent on imports of rubber to meet the requirement. The imports of natural rubber was 546 thousand tonnes and synthetic rubber was 342 thousand tonnes in FY22.

Chart 19: India Imports and Exports of Natural Rubber and Synthetic Rubber



Source: - Rubber Board of India, CareEdge Research

4.3.3 Key applications and growth drivers of rubber in India

- **Automobile Industry**

- **Tyre usage: -**

  The rubber industry is directly related to automobile industry. Tyre industry in India accounts for around 70% of rubber consumption in India. The automobile industry depends on the production and quality of rubbers. The increased production in the automobile industry supported by rising demand for electric vehicles will drive the growth of rubber industry.

- **Non-Tyre usage: -**

  Other applications of rubber in vehicles includes matting, flooring, hoses, belts wiper blades. It is used in the vehicles like rubber bumper, rubber air bags, rubber seal in various categories of vehicle like passenger vehicles, commercial vehicles, two-wheelers, three-wheelers, tractors.

- **Other industries**

Rubber is also used in various other industrial applications like conveyor belts, floor and wall coverings, roll coverings, vibration control products, transmission belts, weather stripping products, sheet & film, elevators, conveyor belting, geo-membranes and fabricated rubber products. It is also used in medical industry like rubber gloves, rubber tubing, rubber injection parts. Other industries where rubber products are used includes aerospace, chemical, construction, defence, mining, petroleum, textile industries.

4.4 Overview of Tyres Industry in India

4.4.1 Overview of Indian Tyre Industry

The Indian tyres Industry is worth around Rs. 600 billion. With 41 tyre companies and 62 tyre manufacturing plants, this sector produces the largest variety of tyres in the world.

Table 8: India Tyres Industry

Turnover of Tyre Industry (est.)	Rs 60,000 crore (USD 8.5 Bn) in FY21
Tyre Production	169.1 (Million Units) in FY21
Number of Tyres Companies	41
Exports	3.6 (million units) in FY21
Industry Concentration	10 Large tyre companies account for over 95% of total tyre production.
Radialization level - current (as a % of total tyre production)	**OEM – 78%** **Replacement -47%**

Source: - Automotive Tyre Manufacturers Association (ATMA), Industry Sources, CareEdge Research

Indian tyres industry has witnessed intense competition between the domestic players and the Chinese tyre manufacturers. The level of competition by international player is significantly higher in the trucks and buses segment which is price sensitive. However, measures taken by the government like imposition of anti-dumping duty (implemented in September 2017) and anti-subsidy countervailing duty (implemented in July 2019) on tyre imports from China have helped Indian tyre manufacturers. Diverse product offerings and strong focus on the replacement market have enabled the companies to sustain the established market position.

List of top 11 tyre companies in India

S. No.	Company	S. No.	Company
1	MRF Ltd.	7	TVS Srichakra Ltd
2	Apollo Tyres Ltd.	8	Goodyear India Ltd.
3	CEAT Ltd.	9	Continental India Pvt. Ltd
4	JK Tyres & Industries Ltd.	10	Michelin India Pvt.Ltd
5	Balakrishna Industries Ltd.	11	Yokohama India
6	Bridgestone India Pvt. Ltd		

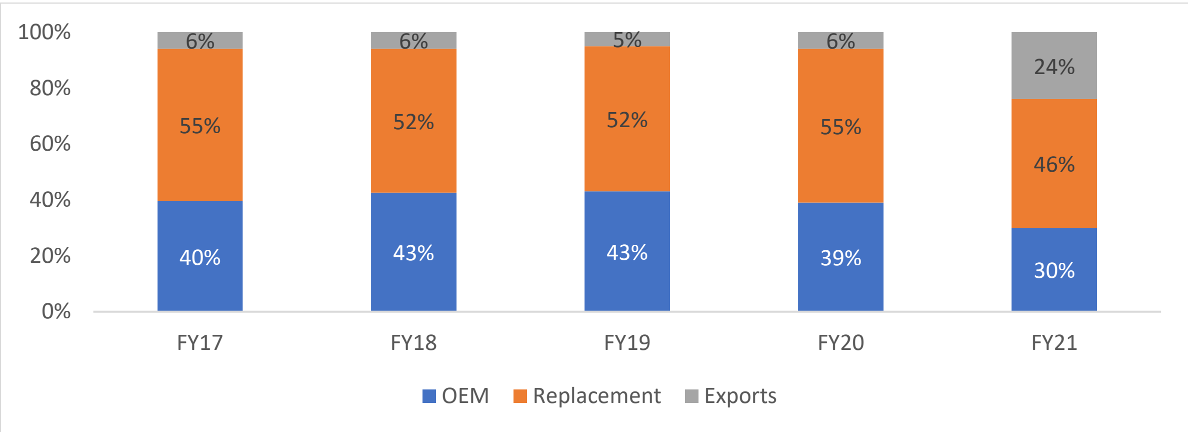
Source: CareEdge Research

Market Dynamics

Tyre demand originates from two end-user categories- Original Equipment Manufacturers (OEMs) and the replacement segment. Demand from the replacement segment dominates the Indian tyres market contributing about 55% of the total volume, while the OEMs account for the rest 45%. Consumption by OEMs is dependent on new automobile sales trend while the replacement segment is linked to usage patterns and replacement cycles. Replacement demand remains a major consumption source in India.

There was a rising trend observed in the industry up until FY19 on the back of high demand from the replacement segment, the trend reversed as the pandemic hit and there was a decline in the sales numbers. The contribution of OEMs to the tyre industry volumes has declined consistently. This segment formed 30% of the industry demand in FY21. The replacement segment constitutes around 46% of volumes. Exports continued to remain strong as India benefited from imposition of anti-dumping duties (ADD) by US on China and with increased acceptance of Indian tyres globally and healthy demand from top export destinations such as the US, the UK and the European nations. The top 5 exports markets for India in FY21 were US, Germany, France, Italy and UK. As per the ATMA report, India now exports over to 170 countries in the world.

Chart 20: Tyre end user segmentation share (%)



Source: CMIE, CareEdge Research

Types:

Radial Tyres:

To increase structural integrity, radial tyres are constructed with perpendicular polyester plies and crisscrossing steel belts underneath the tread. This construction provides a smooth ride and extends the life of the tyre. Radial tyres are generally used for long-haul towing, travel trailers, toy haulers, larger boats and livestock. In radial tyres the steel belts run at a 90-degree angle with the tread line. It allows the sidewall and the tread of the tyres to function independently. Thus, there is low sidewall flex and more contact with the ground. Though cross-ply tyres are still widely accepted in India due to its adaptability on poor road conditions, radial tyres are consistently gaining ground on the back of the inherent benefits. Over the last few years, India has seen an increased adaption of radial tyres technology. Though India has achieved almost 100% radialization in the PV tyres segment, the country still has a lot of growth potential in the CV and two-wheeler segments. On the backdrop of increase in R&D spending by the domestic tyre manufacturers for making cost-effective radial tyres, coupled with growing low-cost Chinese imports, the process of radialization of CV and two-wheeler segments is expected to happen at a faster pace. Zinc oxide produced through French process is generally preferred in radial tyres.

Bias Tyres:

A bias tyre's construction consists of internally crisscrossing nylon cord plies at a 30 to 45-degree angle to the tread centre line. This design gives the tyre a tough and rugged build and increases sidewall puncture resistance. Bias technology is generally used for construction, agriculture, marine and utility applications. In bias ply tyres the nylon belts run at 30 to 45-degree angle with the tread line. The multiple, over lapping rubber plies in these tyres connect the sidewall and tread. The stiff internal construction causes less contact with the ground and may result in overheating. Radial tyres generally cost 20-25% higher compared to bias tyres, as larger amount of steel is required due to which the cost of manufacturing also slightly increases.

4.4.2 Production

The tyres industry has high correlation with the automobile industry. Over the past few years, the production of tyre industry has been in line with the production and sales of the automobile industry. There has been decline in automobile industry performance since last 2-3 years due to Covid-19 pandemic, increased fuel and raw material price inflation, semi-conductor shortage, increased acquisition cost and geopolitical tensions.

Apart from the demand for tyres from the auto OEMs (Original Equipment Manufacturers), the industry's demand is also supported by stable replacement volumes which constitutes approximately half of the total demand for tyres.

Table 9: India Automobile Industry Production Trend

Category	FY17	FY18	FY19	FY20	FY21	FY22
Passenger Vehicles	3,801,670	4,020,267	4,028,471	3,424,564	3,062,280	3,650,698
Commercial Vehicles	810,253	895,448	1,112,405	756,725	624,939	805,527
Three Wheelers	783,721	1,022,181	1,268,833	1,132,982	614,613	758,088
Two Wheelers	19,933,739	23,154,838	24,499,777	21,032,927	18,349,941	17,714,856
Total	**25,330,967**	**29,094,447**	**30,914,874**	**26,353,293**	**22,655,609**	**22,933,230**

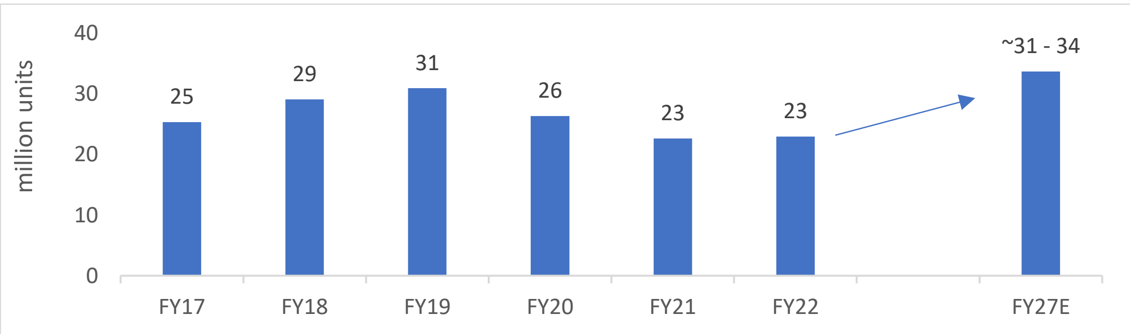
Source: SIAM, CareEdge Research

The overall automobile production increased by marginal 1.2% in FY22 on a year on year basis marred by several headwinds like supply chain bottlenecks and semi-conductor shortages. The impact caused by the successive waves of the pandemic and the consequent lockdown restrictions by various states across the country adversely affected the rural as well as the urban markets. Further, the domestic automobiles sales have also been affected on account of a tactical shift from internal combustion engine (ICE) vehicles to electric vehicles (EVs). The demand for EVs was driven by a push from the government policy framework, a significant increase in oil prices, the development of the EV charging infrastructure, the overall ecosystem and the availability of the right product at the right price with increased customer acceptance.

Automobile industry outlook

The automobile industry nevertheless is expected to grow at a CAGR of 6%-8% over the next 5 years by FY27 with demand likely to be buoyant amidst the ongoing geopolitical challenges with FY23 expected to post a growth of 7%-9% during the year. Many automobile OEMs are expected to embrace new technologies in the electric mobility space which is expected to witness a slew of launches in various vehicle categories in the coming years.

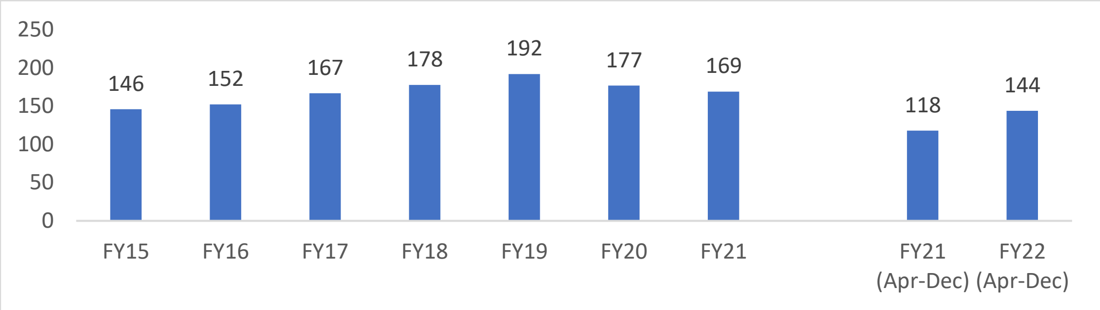
Chart 21: Outlook for Indian automobile industry production (in million units)



Source: CareEdge Research estimates and SIAM

The improvement in commercial vehicle segment production will be led by government's continued focus on improving infrastructure and construction activities along with increase in e-commerce activities and pick up in increased fleet utilization levels. The two-wheeler and three-wheeler segment is also expected to show improvement led by increased budgetary allocation to rural and agriculture sectors, uptick in demand from rural as well as urban markets and Government's subsidies towards electric two-wheeler and three-wheeler space. The production in passenger vehicle segment is likely to grow over the long term led by new launches made by the OEMs both in ICE and electric vehicle space and increase in demand from premium and SUV segment.

Chart 22: Production of tyres in India (in million units)



Source: ATMA and CMIE, CareEdge Research

During FY17 to FY21, tyre production in India increased by a marginal CAGR of 0.32% from 167 million units in FY17 to 169 million units in FY21.

Table 10: Segment wise production (in million units)

Tyre Segment Wise Production (in million/numbers)	FY16	FY17	FY18	FY19	FY20	FY21
Truck & Bus Tyre Production	16.8	16.3	18	20.8	18	18.4
LCV Tyre Production	9.7	10.2	10.3	11.8	11.2	9.6
Passenger Car (including Jeep) Tyre Production	38.7	41.6	42.8	42.8	40.8	38.9
Farm/Tractor (including Front, Rear & Trailer) Tyre Production	5.7	6.1	6.6	7	5.8	6.8
2W & 3W Tyre Production	79.9	91.4	98.7	108	99.8	93.8
OTR Tyre Production	0.5	0.8	0.9	1.1	1	1.1
Other (ADV and Industrial) Tyre Production	0.7	0.5	0.4	0.4	0.4	0.5
Total	**152**	**167**	**178**	**192**	**177**	**169**

Source: ATMA, CareEdge Research

Commercial Vehicle Industry Cycle

The Indian Commercial Vehicle (CV) Industry is the lifeline of the economy. About two-thirds of goods and 87% of the passenger traffic in the country moves via road. The growth in Medium and Heavy Commercial Vehicle is considered to be a crucial indicator for pickup in investment activity while growth in Light Commercial Vehicle is considered as indicator of consumption demand.

4.4.3 Imports & Exports

India's total exports grew with a CAGR of 3.5% over FY17-FY21 with India imports declined with a CAGR of 27.7% over the same period.

- **Tyres Exports**

While tyres industry witnessed decline in FY21 amidst the pandemic, exports continued to remain strong with increased acceptance of Indian tyres globally and healthy demand from top export destinations such as the US, the UK and the European nations. Further, the exports surged in FY22 on account of strong global demand during the year.

Table 2: Segment-wise exports of Tyres & Tubes

Tyre Exports (in '000 units)	Trucks & Buses	PV	Farm & Tractor	2 -Wheeler
2017-18	3,349	1,941	3,439	2,839
2018-19	3,575	2,095	3,427	3,856
2019-20	3,627	2,187	3,481	3,698
2020-21	3,392	2,405	4,360	3,853
2021-22	6,217	7,188	6,984	6,450
CAGR over 5 years (%)	**16.7**	**38.7**	**19.4**	**22.8**

Source: ATMA and CMIE, CareEdge Research

- **Tyres Imports**

The imports have been declining continuously since FY19. Restrictions imposed by the Government of India on imports and anti-dumping duties (ADD) by US on China has led to the decline in imports.

Table 3: Segment-wise imports of Tyres & Tubes

Tyre Imports (000' Units)	Trucks & Buses	PV	Two Wheeler
2017-18	1,153	5,974	2,785
2018-19	845	5,831	3,182
2019-20	591	5,982	1,932
2020-21	168	1,386	363
2021-22	124	1,962	247
CAGR over 5 years	**-42.7**	**-24.3**	**-45.4**

Source: CMIE, CareEdge Research

4.4.4 Investment Trends and Capex Additions

The automobile industry is witnessing new capacity additions across all the major segments, namely electric vehicles, commercial vehicles, passenger vehicles and two and three wheelers. The planned spending is aimed primarily at adding manufacturing capacity, debottlenecking of factories, upgrading technology and research and development.

The top 5 domestic tyre manufacturers have incurred capital expenditure of around Rs. 30,000 crores over last 4-5 years. As a result, the capacity utilization currently has reduced. Despite the same, the tyres industry is expected to incur a capital expenditure of more than Rs.20,000 crores over next 4-5 years.

Capex Additions in automobile and tyres industry

The subdued project completions in the last two years in the automobile industry were primarily due to impacted by Covid-19 and slowdown in demand from the automobile original equipment manufacturers (OEMs). However, with the improvement in demand and consumer sentiments, the automobile OEMs are ready to make investments for new capacity expansion, new products, electric vehicle segment and developments in new technologies. The automobile industry capex are as follows: -

- Maruti Suzuki Private Limited has committed the capex of Rs 5,000 crores for FY23 for new models. Suzuki Motors Gujarat has also made the total investment of Rs 10,000 crores on electric vehicle and its battery.
- Bajaj-Auto has ₹700-800 crores capex lined up for FY22 with new facility expansion that is expected to begin production in FY23.
- TVS Motors capex for FY22 was ₹500-600 crores that will be used for investments in electric vehicle and other new products and emerging technologies.
- Hero Motocorp Limited raised up to ₹800-1,000 crores in FY22 in electric two-wheeler space.

- Ashok Leyland is planning to come up with capex in the range of ₹400-600 crores for FY23 to expand its LCV portfolio.
- Mahindra & Mahindra is expected to invest ₹2,300 crores for enhancing production capacity both in passenger vehicle segments as well as tractors segment in FY23.
- Tata Motors Limited is expected to spend ₹6,000 crores towards capex with investments to be made in passenger vehicle, commercial vehicle and electric vehicle segment in FY23.
- Hyundai Motor India Ltd. plans to invest ₹4,000 crore in electric vehicles space in India by 2028.
- Kia Motors will be investing ₹2,000 crore in India for manufacturing electric cars and setting up of battery manufacturing facility. The company has plans to drive in a locally built electric in 2025.

Automobile demand has been on a slow lane for quite some time now with sales falling across all segments. Therefore, many tyre manufacturing companies have deferred their capital expenditure plans amidst low-capacity utilization and the need to preserve cash in difficult times. However, in FY22 there was slight recovery in the production, and it grew by 1.7%. This is likely to have encouraged tyre manufacturers to go ahead with capacity expansion in the year FY23. Apollo Tyres Limited, Ceat Limited, MRF Tyres, JK Tyres Limited and Balkrishna Industries Limited will be adding tyre manufacturing capacities during the year through their respective projects:

- Apollo Tyres has committed no big capex for FY23. ₹ 900 crores is planned for FY23 primarily for completing Andhra Pradesh plant greenfield project of which Rs. 250-300 crore is the maintenance capex.
- Ceat Limited has planned a capex of about ₹750 crores for FY23. The focus will be on the off-highway tyre capacity addition and other debottlenecking and process improvement projects.
- MRF Tyres is planning to invest ₹ 1,000 crores as capex which will be used for the expansion of manufacturing facility and creation of new specialty assembly line near Hyderabad.
- JK Tyres Limited has estimated capex of ₹ 766 crores for FY24 which includes ₹ 530 crores in Banmore plant which is for the expansion of PCR tyres and it will be operational by December 2023 and Rs. 236 crores are for TBR capacity expansion which is expected to be operational by the end of FY23. The annual maintenance capex for JK Tyres is ₹. 100-150 crores.
- Balkrishna Industries Limited has planned the capex of ₹ 1900 crores for expanding capacity manufacturing capacity at plants in Bhuj, Gujarat, and Waluj in Maharashtra, out of which ₹1000 crores have already been done and the rest ₹900 crores is expected to be done by FY23.
- Yokohama India made investments of around ₹2,500 crore in Vizag, Andhra Pradesh. The investments have been made in two phases with Phase I costing about Rs.1,200 crore (early 2020) and Phase II costing around ₹1,300 crore (August 2021).

The growth in capex in automobile and tyres industry will drive the demand for zinc oxide in the domestic market.

4.4.5 Trends in Tyres Industry

The latest trends in the tyres industry are: -

1) Radialization:

Improved road infrastructure, coupled with government’s curbs against overloading of trucks along the major freight corridors, is paving way for a structural shift in the country’s tyres industry. The traditional cross-ply tyres for trucks and buses is losing its sheen and is being replaced by radial tyres. Radial tyres are designed and manufactured to offer increased durability to provide powerful grip and stiffness. They are extra thick that safeguards from shocks and damages and it also supports the vehicle to consume lesser fuel.

2) Emergence of Tubeless Tyres:

Tubeless tyres are the substitute to the old-style pneumatic tyres due to the augmented dependability and safety they propose. It is comparatively safer to drive vehicle on an advanced speed in the event of puncture at a high speed. Similarly, they have lengthier life span as equated to the air-filled equivalents. Extended working life expectancy, low-slung maintenance and stress-free repair is expected to power the demand for these tyres

3) Smart Tyres:

Smart tyres are equipped with sensors that measures various parameters like any corrosion, frictions, temperature, air pressure. The leading tyre OEMs have started manufacturing IoT enabled tyres that have increased demand for such tyres both in domestic as well as international markets.

4) Electric Vehicle Tyres

The technology behind tyres use on electric vehicles (EVs) is evolving and enhancements over the coming years should be expected as the vehicles evolve. EV tyres have a stronger sidewall to handle the weight of the battery and the car components.

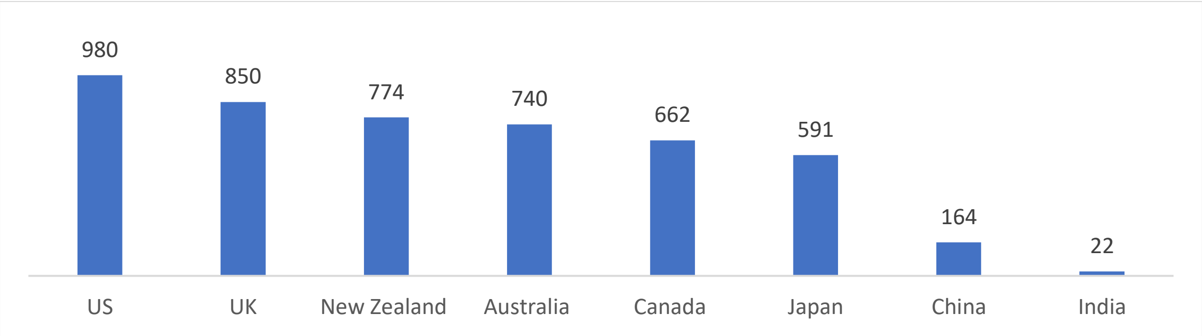
4.4.6 Growth drivers of Tyre Industry

The growth drivers for tyres industry are mentioned below:

1. Low car penetration & Rising family income:

The growing domestic income is to make motor vehicles more affordable for local consumers. The emergence of a young and aspirational middle class in India is also likely to drive passenger vehicle industry, which in turn is likely to fuel growth for the tyres industry. Demand is linked to economic growth and rise in income levels. Further, it is inversely related to the interest rates and fuel prices as 85% of the total vehicles are bought on credit. Per capita penetration at around nineteen cars per thousand people is among the lowest in the world.

Chart 24: Motorization Rate: Cars per 1000 inhabitant



Source: Niti Aayog 2021, CareEdge Research

2. Revival in Rural Demand:

Hike in Minimum Support Price (MSP) for agricultural produce in (which year) last year (especially for Kharif crops), favorable monsoon, farm loan waivers and improvement in farm yield are expected to drive two-wheeler, CV and tractor volume which should generate demand for tyres.

3. New launches:

As several OEMs are scheduled to launch new models in the FY23, decent volume growth is foreseen, as historically new models drive volume growth for the industry.

4. Improved Road Connectivity:

A significant growth has been witnessed in the construction of roads and highways over the past few years. With the government's focus on roads and infrastructure development, it is envisaged most villages will be connected to the highways in the next 2-3 years. Introduction of smart cities and highways is expected to increase the volumes of CVs and PVs, which account for the maximum tyre consumption.

5. Increasing demand in luxury car segment:

The demand for luxury vehicle segment, especially the SUV luxury cars have increased over the past few years. The demand for pre-owned luxury cars is also increasing as the owners want more upgraded and latest models while they sell off their vehicle in few years. With the increasing number of service providers in the market, the high penetration is helping the industry to grow. The increasing demand for luxury car segment is further helping improve tyre production. The tyre manufactures in India are planning to expand and make businesses with the luxury car manufacturers. The demand for run flat tyres which are used in the luxury cars segment will improve with growth in demand from this segment.

6. Aviation tyres industry

With the increasing air passenger traffic all across the world, there is an improvement in demand for aircraft orders which is the key driving growth factor for aircraft tyres. There is also an increase in demand for military as well as commercial aircrafts which has further bolstered the growth in the industry. The replacement cycle of aviation tyres is also shorter and it requires frequent tyre replacement which is the key factor for growth in aviation tyre market. The Covid-19 pandemic had severely impacted the airlines industry that restricted travel. With relaxations of domestic as well as international travels along with resurgence in recommencement of travel and tourism industry, there will be further growth in the aviation tyre demand.

4.4.7 Key Government Initiatives

- **Duty on Chinese TBR tyre imports**

The Government of India (GoI) on June 24, 2019 had imposed Countervailing duty (CVD) on import of new Chinese Truck and Bus radial (TBR, including tubeless), for a period of five years effective from June 24, 2019. CVD in the range of 9.1% - 17.6% is levied on imported TBR tyres originating from China and exported through any country (including China), and TBR tyres exported from China irrespective of the place of origin. In September 2017, GoI had re-imposed Anti-dumping duty (ADD) on import of Chinese TBR tyres for five years, ranging between USD245.4 and USD452.3 per ton (or) 9-15%.

Tyre imports, which represent ~7% of the domestic tyre industry (in value terms), has witnessed a 10% growth in the last three years (CAGR ending FY18) as against the industry's revenue growth of 2%. Specifically, influx of TBR tyres was high during this period, with TBRs accounting for 43% of total tyre imports (in values) in FY18.

TBR imports surged from ₹ 7.1 billion in FY13 to ₹ 14.2 billion in FY17 and accounted for a major share of TBR consumption in India. Country-wise, China cornered a lion's share, with ~89% of TBR tyres originating from China in FY18. Following the imposition of ADD on Chinese tyres by the US in FY15 and the removal of ADD on Chinese tyres imports to India in FY15, Chinese TBR tyres imports to India had witnessed a sharp growth.

The move has come as a sentiment booster for the industry that has been bearing the brunt of the slowdown in the auto sector and disruption caused by Covid-19 pandemic. Emboldened by the development, the tyre industry in India is looking at better than expected domestic production and increased exports from the country.

- **National Auto Policy 2018**

In February 2018, The Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises (MoHI&PE) released the draft National Auto Policy (NAP).

Vision: "To provide a long-term, stable and consistent policy regime and to have a clear roadmap for the automobile industry, making India a globally competitive auto R&D and manufacturing hub and achieving the targeted objectives of green mobility"

Mission: The National Auto Policy is envisaged to achieve the following missions:

- To propel India as an automobile industry amongst the top 3 nations in the world in engineering, manufacturing and export of automobile vehicles and components.
- To scale-up exports to 35-40% of the overall output and become one of the major automobile export hubs in the world.
- To enable the automobile sector to become one of the largest employment creation engines.
- To enable the automobile sector in India to become a global hub for research & development.
- To drive the automobile sector in India to adopt safe, clean and sustainable technologies.

Objectives: The objectives of the National Auto Policy are:

- Increase contribution to GDP To support the growth of the automobile industry in India and become one of the major contributors to the country's GDP and comprise a considerable proportion of the manufacturing sector GDP by 2026
- Increase exports To scale-up exports to 30-40% of the overall output over the next decade and improve the brand recognition, competitiveness and technological advancement of the Indian automobile industry across the world.

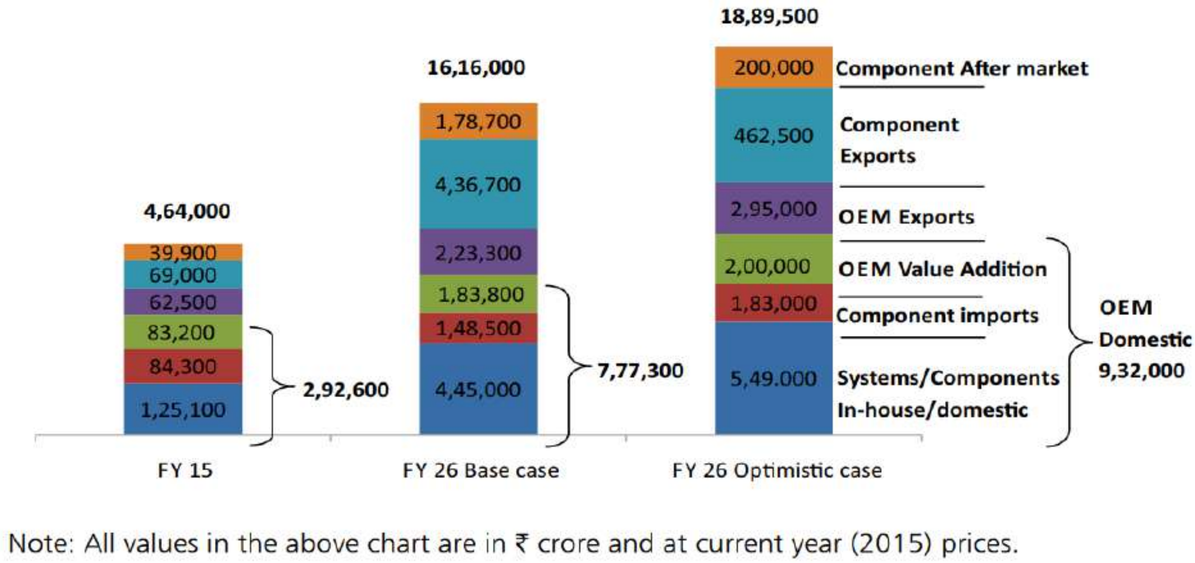
The policy would boost the auto sector which would in turn also lead to a rise in demand for the tyres industry.

- **The Automotive Mission Plan 2016-26**

The Automotive Mission Plan 2016-26 (AMP 2026) is the collective vision of Government of India (Government) and the Indian Automobile Industry on where the Vehicles, Auto components, and Tractor industries should reach over the next ten years in terms of size, contribution to India's development, global footprint, technological maturity, competitiveness, and institutional structure and capabilities.

AMP 2026 envisages that the Indian Automobile Industry will grow 3.5-4 times its value from its current output of around ₹ 4,640 Billion to about Rs 16,160 – 18,885 Billion by 2026, based on a base of case with average GDP growth rate of 5.8% and an optimistic case with an average GDP of 7.5% during the period. The following chart provides current and projected composition of the industry over the next decade.

Automotive Mission Plan Projections



All numbers in the above chart are in ₹. Crore

Source: Niti Aayog; CareEdge Research

Current policy framework/regulations pertaining to Electric Vehicles industry in the passenger vehicles segment

Automobile industry globally is at the cusp of a major transformation. Growing concerns for environment and energy security clubbed with rapid advancements in technologies for powertrain electrification, increasing digitalization, evolution of future technologies and innovative newer business models and ever-increasing consumer expectations are transforming the automobile business. One of the key facets of such a change is the rapid development in the field of electric mobility which might transform the automobile industry like never before. This would in turn also benefit the tyres and the auto component industry.

- **New Star Rating Rules**

The government is expected to bring new 5-star rating for the tyres industry. The ratings are expected to be given on the basis of its fuel efficient, ensured safety and prevent skidding of the vehicle. The oil consumption is expected to be reduced by 10%. With the introduction of the star labelling, customers will be able to select tyres best suited for driving usage, along with fuel efficiency and safety standards such as rolling resistance, wet grip, and rolling sound emission. Currently, BIS rules apply for the quality of tyres.

Electric Vehicles Policies Electric vehicles are driving much of the innovation in the tyre industry. The government approved the FAME-II scheme with a fund requirement of Rs. 10,000 crores (Rs.100 billion) for FY20-22. The demand for tyres will increase as the electric vehicles will be introduced into the public transport under this plan. The rising share of EV sales has the potential to present new opportunities for the tyre industry in India. In addition, multiple production-linked incentive schemes intend to create a local manufacturing ecosystem. This is sought to be achieved by incentivizing fresh investments into developing indigenous supply chains for key technologies and products.

4.4.8 Tyres Industry Outlook

The production and sales of tyres is expected to recover led by low base effect and expected improvement in automobile sales in domestic as well as exports markets going forward. Vehicles require tyre replacement due to wear and tear positively influences the sales of tyres. With the surging demand for replacement tyres, the market is witnessing a healthy growth in this segment.

The Indian automobile industry, already dented by a protracted downturn before the Covid-19 pandemic, is in for an even more severe and prolonged disruption, as the global geopolitical tensions snaps major links of its supply chain along with semiconductor chips shortage, rise of input costs and inflated fuel prices, affecting the tyres industry demand.

Exports are expected to grow for the tyres industry. Steady demand from major export destinations such as the US, the UK, and the European nations including Germany, France and Italy supported exports in the previous year. In the coming years, exports are expected to increase and exceed pre-Covid-19 levels. Over the long term, tyre industry exports are expected to improve led by increasing global automobile demand along with growth in acceptance of Indian tyres in the international markets.

In FY23, the tyres industry is likely to record an increase of around 9%-11% backed by the replacement demand and an expected 7%-9% growth in automobiles industry. Going forward, the tyres industry is likely to grow favourably with a CAGR of 8%-10% over the next 5 years by FY27. This is expected to grow by increasing demand in the automobile industry which is estimated to increase at a CAGR of 6%-8% over the next 5 years.

The replacement demand is also expected to show high potential growth going forward. Further, government policy and interventions towards import restrictions will further help the domestic tyres industry to grow over the long term.

4.4.9 Thailand tyre market

Thailand has a very critical role in the global natural rubber market (primary raw material used in manufacturing of tyre) as it is the largest player in the industry. Of the total 13.8 million tonnes of natural rubber produced globally in CY21, a significant share of 34.8% was contributed by Thailand. Similarly, in terms of natural rubber exports, the share of Thailand was substantially high at 32.8% during the year.

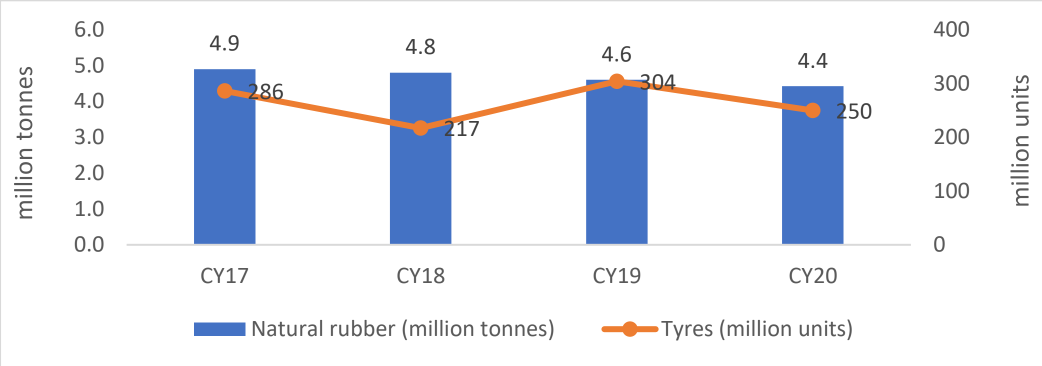
Table13: Share of Thailand in natural rubber production and exports CY21 (million tonnes)

	World	Thailand	% share of Thailand globally
Production	13.8	4.8	34.8%
Exports	12.5	4.1	32.8%

Source: Malaysian Rubber Council, CareEdge Research

It is to be noted that of the total natural rubber produced by Thailand, a massive share of 85% of natural rubber is exported. Rubber produced in Thailand is used towards tyres, gloves, elastics etc. With high contribution in rubber market, Thailand is also a tyre export hub of Asia with almost every category of tyre produced.

Chart 25: Trend in natural rubber and tyres production in Thailand



Source: Thailand Board of Investment and CareEdge Research based on industry sources

During the CY20, tyres production in Thailand declined by 17.8% y-o-y to 250 million units and that of automobiles (including 2 wheelers) production fell by 23.2% to around 3 million units mainly due to Covid-19 situation and lockdown in the country. However, with easing of restrictions, the scenario in the country is improving on the back of better economic activities. In CY21, Thailand's automobile production improved by a healthy 15.8% to 3.5 million units.

The uptick in Thailand's automobile production going forward is expected to be supported by various initiatives taken by the Government of Thailand. One of the initiatives is the introduction of EV stimulation package in February 2022 by the Ministry of Finance which is detailed below.

Battery Electric Passenger Car
Import Duty Reduction: Up to 40% during 2022-2023 Excise Tax Reduction: From 8% to 2% during 2022-2025
Battery Electric Pick-up
Excise Tax Reduction: Reduced to 0% during 2022-2025
Battery Electric Motorcycle
Excise Tax: 1%

In addition to duty and tax advantages, the Government of Thailand will also provide cash subsidies based on certain conditions and criteria for each of the 3 segments mentioned above. These initiatives, in turn, will provide an advantage to tyres industry in Thailand.

Thailand has emerged an attractive market for tyre manufacturers globally as it is the largest rubber exporter in the world. In addition to this, Thailand has witnessed expansion in tyre capacities by international manufacturers. Global tyre companies are moving their production to countries like Thailand due to US/EU trade war with China and reduction of imports into those countries from China. Moreover, Thailand has favourable regulatory regime which is supportive to the tyre manufacturers. All these factors will facilitate a medium to long term CAGR of around 4%-6% for Thailand's tyres industry. Similarly, Thailand's rubber production is also expected to increase at a CAGR of around 5% supported by expansion in plantation sizes and demand in exports and domestic market.

Growth drivers for Thailand Tyres market

To support the natural advantage that Thailand has in terms of natural rubber production, the Government of Thailand has taken some initiatives which has driven new capex and demand from various countries.

Thailand Board of Investment

The Thailand Board of Investment offers an attractive and competitive package of tax incentives. It imposes no foreign equity restrictions on manufacturing activities or on some service. It also provides assistance in the provision of visas and work permits to facilitate entry and subsequent operation for a foreign-owned business and waives restrictions on land ownership by foreign entities.

Eastern Economic Corridor (EEC)

The Eastern Economic Corridor (EEC) development lies at the heart of Thailand 4.0 scheme and is an area-based development initiative, aiming to revitalize the well-known Eastern Seaboard. The project initially focused on the 3 Eastern provinces, namely Rayong, Chonburi, and Chachoengsao.

Thailand 4.0 is an economic model that aims to unlock the country from several economic challenges resulting from past economic development models which place emphasis on agriculture (Thailand 1.0), light industry (Thailand 2.0), and advanced industry (Thailand 3.0). These challenges include "a middle income trap", "an inequality trap", and "an imbalanced trap".

The EEC's 12 targeted S-curve industries are: cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels and biochemicals; digital; medical services; defence; and education development.

WHA Eastern Seaboard Industrial Estate 4 (ESIE 4)

WHA Eastern Seaboard Industrial Estate 4 (ESIE 4) has a strategic location with infrastructure placed around 150 km from Bangkok, and 60 km from deep-sea port in Laem Chabang. The port enables import of machinery and aids tyre exports to the key markets like China and other APAC (Asia Pacific) countries.

The Thailand Government has been giving priority to area-based development policy to proliferate prosperity in the country by taking maximum benefit of the location that connects various Asian subregions. This, in turn, is expected to increase investments in Thailand from foreign countries.

Apart from this, Thailand's strategic location have aided investments in the country's tyre market from different regions – For instance, Continental invested in Thailand's Rayong province for new passenger and light truck tires production facility in the Asia and Pacific region.

Global tyres manufacturers in Thailand

China

Chinese tyres companies invested in Thailand due to anti-dumping duties imposed on imports of China produced tyres by a number of countries and increased competition in Chinese domestic market. As per China Rubber Industry Association, South-East Asia is the most preferred destination for Chinese tyre makers due to ample availability of natural rubber, comparative labour costs, and proximity to China. Subsequently, China's largest tire producer, Hagzhou Zhongce Rubber, built a facility in Thailand. Other major tyre producers from the country, such as Linglong Tire, Sentaida and Double Coin have also established manufacturing presence in Thailand to take benefit of the robust automobile market of the country.

Other Key International players

In addition to Chinese players, other key international companies like Bridgestone, Michelin, Sumitomo, Yokohama, Goodyear etc. have their facilities in Thailand. Moreover, China plus one strategy adopted by international players will also aid momentum of tyre facilities in Thailand and thus the country's tyre production.

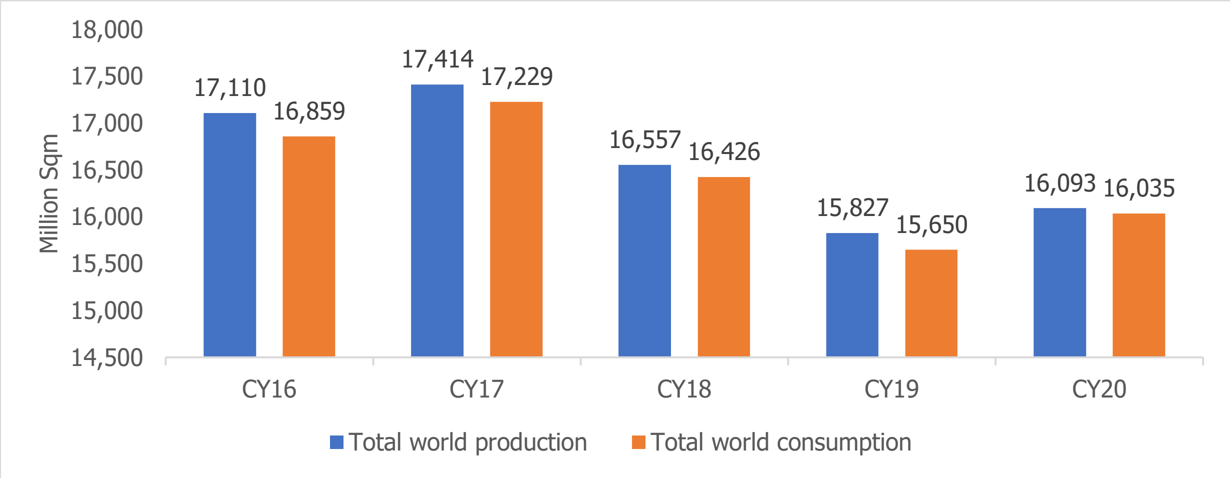
5. CERAMICS INDUSTRY

Ceramic tiles are versatile items with a wide range of uses in different locations and industries. There are various elements that are propelling the global market forward. The most visible trend is the increase in construction activity, which is fueled by the growing demand for houses. Rapid urbanization and rising disposable incomes play a crucial role in market dynamics in developing economies, such as those in the Middle East and Asia-Pacific regions.

5.1 Global Production & Consumption

The global tile production fell in CY18 due to slowdown of many national economies and this trend was carried ahead in CY19, however this trend reversed in CY20, providing an initial partial recovery despite the epidemic. The overall world production increased by 1.7% in CY20 compared to CY19.

Chart 26: Global Production & Consumption Trend



Source: Ceramic World Review, CareEdge Research

In CY20, the world consumption for ceramics grew by 2.6% compared to the previous year. CY20, marked as a year witnessing an upward trend after consecutive drop in CY18 & CY19. However, when compared to the trend of past seven years the consumption levels still remain low.

Table14: Region wise production & consumption

Region	Production (Million Square meter)	Share in world production	Consumption (Million Square meter)	Share in world consumption
Asia	11,905	74.0%	11,470	71.5%
European Union	1,218	7.6%	1,035	6.5%
Central-South America	1,088	6.8%	1,249	7.8%
Africa	918	5.7%	1,124	7.0%
Other Europe	638	4.0%	563	3.5%
North America	321	2.0%	541	3.4%
Oceania	5	0.0%	53	0.3%
Total	**16,093**	**100.0%**	**16,035**	**100.0%**

Source: Ceramic World Review, CareEdge Research

Region wise overall production trend in CY20:

Asia: Asia's production increased by 2.8% to 11.9 billion square meter in CY20, accounting for 74% of worldwide output; this outcome was mostly due to higher volumes produced in China, India, and Iran, which offset lower quantities produced in Vietnam and Indonesia.

Europe: The European continent produced a total of 1,856 million square meter in CY20 (11.6% of global production). Production in the European Union declined by 6.6% (from 1,304 million square meter to 1,218 million square meter). Production in non-EU Europe rebounded (CY20- 638 million square meter; 11.9% growth). This growth in production was due to a strong upswing in Turkey.

American continent: In the American continent, production declined to 1,409 million square meter. The losses in North America was only 2.7% de-growth (321 million square meter), whereas production in Central and South America, the region hardest hit by the extended 2020 lockdowns, plummeted to 1,088 million square meter (7.6% de-growth).

African continent: Africa continued to grow, with production estimated to reach 918 million square meter in CY20 (6.1% growth). Apart from Egypt, which maintained its leadership position on the continent despite a drop-in production to 285 million square meter, and Algeria, which stood at 185 million square meter , sub-Saharan African countries (Ghana, Tanzania, Ethiopia, Kenya, Sudan, Uganda, Senegal, Zambia, Zimbabwe, and Angola) continued to grow with production levels of between 10 and 50 million square meter (largely due to Chinese investments), while Nigeria's production was 114 million square meter.

5.1.1 Demand drivers

1. Urbanization
2. Surge in application of ceramics in construction industry
3. Increase application of ceramics in various sectors

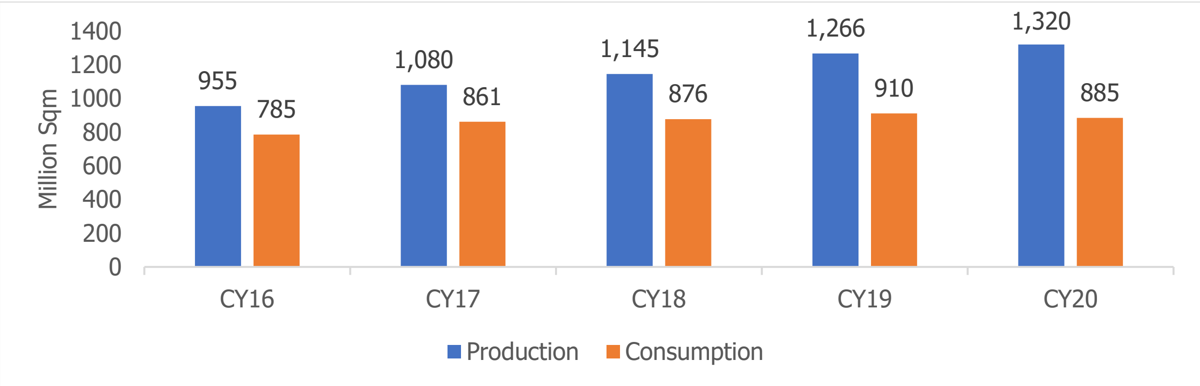
5.2 Indian Overview of Ceramics Industry

India is one of the world's most rapidly expanding ceramic markets. The Indian ceramics market is segmented on the basis of products, application, construction and end-use. India is the world's second-largest manufacturer of ceramic tiles, accounting for 8% (1,320 million square meter) of global production. The rising real estate sector, combined with government policies fueling robust growth in the housing sector, are some of the primary reasons boosting ceramic demand in India. Furthermore, increased disposable income in India, as well as a desire to beautify living and working environments, are driving the demand for ceramic tiles in the country.

5.2.1 Indian Ceramics Market

India not only retained its position as the world's second largest tile manufacturer in CY20, with volumes increasing by 4.3% to 1,320 million square meter, but it also surpassed Spain as the world's second largest exporter.

Chart 27: Indian Production & Consumption trend



Source: Ceramic World Review, CareEdge Research

While the pandemic reduced domestic consumption by 2.7% to 885 million square meter, the country's exports increased by 21% from 360 to 437 million square meter. With export volumes nearly doubling in just four years, India now, in CY20 accounts for 15.8% of global exports and more than a third of the country's entire production. Exports totaled 1,350 million euros, equating to an average selling price of 3.1 euros per square meter, one of the lowest among all major exporting countries. The overall exports from India has grown at a CAGR of 24% over the period CY16 to CY20 and the consumptions in India grew at 3.04% during the same period. Although the growth in consumption was slow during the period, but the growth in Indian exports is expected to support the growth in Indian ceramics production over the coming years.

Overall in CY20, share of Indian exports in the Asian market was 62%, with export volumes of 270 million square meter; share of Africa was 14% and 60 million square meter export volumes; North America accounted for 9% of Indian exports and 39 million square meter in volumes; European continent (including EU & non-EU) had a share of 11.6% and 50.3 million square meter export volumes; and South America accounted the least share of 3.5% in the exports with 15 million square meter volumes.

Indian Export Trends:

- With a 20.8% share of overall exports and a 24.8% increase in sales from 73 to 91 million square meter, Saudi Arabia remained India's top export market. This result is especially noteworthy in view of tariffs placed on Indian tiles imported into GCC countries in CY20, which were projected to result in a drop-in shipment.

- Major market for Indian exports also witnessed a growth in CY20 such as:
  - Indian exports to Iraq accounted for 23 million square meter in CY20 with 26% growth in exports compared to CY19.
  - Indonesia is another key export market for India. Indian exports to Indonesia began from CY18 and within three years it has become the third key exporting market for Indian ceramics. In CY20, Indian exports to Indonesia reached 22 million square meters with a growth of 22% compared to CY19.
  - Exports of Indian ceramic tiles increased from 9.2 million square meter in CY19 to 18.6 million square meter in CY20 in the United States and, in the United Arab Emirates the exports grew by 2.8% in CY20, reaching 20.6 million square meters.
  - South Africa also witnessed a significant increase of 145% in CY20 compared to CY19 in Indian exports, with export volumes reaching 12.6 million square meters. On the other hand, exports to Russian market saw the highest growth of 400% in CY20 with export volumes of 5.6 million square meter.

Overall in CY20, share of Indian exports in the Asian market was 62%, with export volumes of 270 million square meter ; share of Africa was 14% and 60 million square meter export volumes; North America accounted for 9% of Indian exports and 39 million square meter in volumes; European continent (including EU & non-EU) had a share of 11.6% and 50.3 million square meter export volumes; and South America accounted the least share of 3.5% in the exports with 15 million square meter volumes.

5.2.2 Demand Drivers:

1. Government initiatives accelerating demand for ceramics
   a. Pradhan Mantri Awas Yojana (PMAY)
   b. Swachh Bharat Abhiyan (SBA)
2. Rising construction activities have fueled demand for ceramics industry
3. Transformation from unorganized to organized sector

Use of zinc oxide in ceramics industry:

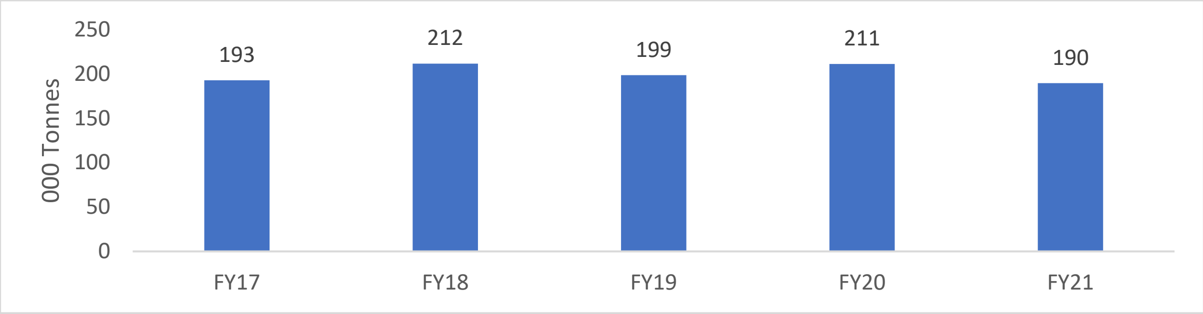
Zinc oxide is a crucial component of ceramic chemical flux. Zinc oxide is commonly used in the ceramic industry in translucent glazes for brick glaze and coarse pottery, as well as transparent coarse glazes for process tableware. Ceramic wall and floor tile glaze, as well as low temperature ceramic glaze, are used increasingly frequently in construction.

The ceramics industry is also expanding at a breakneck pace, as a shift in product focus, with glazed vitrified tiles (GVT) and polished glazed vitrified tiles (PGVT) gaining market share. The share of consumption of ceramic tiles in India is 56%, share of PGVT consumption is approximately 33% & GVT has the least share of 11% in the overall tile market. However, over the last few years, the GVT & PGVT segment have shown steady growth. Moreover, the organized segment's entities have introduced new sizes and designs in the GVT & PGVT segment, in line with global trends, reducing dependency on imports while also providing clients with a wide range of options to meet their specific needs.

6. ZINC SULPHATE

Zinc sulphate is an inorganic compound which is used as a medication and as a nutritional supplement. It is majorly used in agricultural, fertilizers and pharmaceuticals industry.

Chart 28: Zinc Sulphate Consumption in India (000 Tonnes)



Source: Fertilizer Association of India, CareEdge Research

Consumption of zinc sulphate from FY17 to FY21 has been in the range of 190,000 tonnes to 215,000 tonnes. In the year 2020, Covid-19 contributed to rise in the consumption of zinc sulphate. Zinc is a strong immunity builder. Zinc sulphate supplements were taken to increase the amount of zinc in the human body.

The zinc sulphate market can be segmented based on product and application.

By products:

- Zinc Sulphate Heptahydrate – Contains 21% Zinc. Highly soluble in soil aiding to the demand of fertilizers and pesticides
- Zinc Sulphate Monohydrate – Contains 33% Zinc. Highly soluble in soil aiding to the demand of fertilizers and pesticides

By application:

- Agriculture
- Pharmaceutical

Agriculture: The major usage of zinc sulphate is in the agricultural industry. It is mainly used for meeting the deficiency of zinc micronutrients in the soil. Healthy soil rich in zinc helps in improving the quality of crop and productivity of soil. On domestic side, the demand for zinc sulphate is expected to increase significantly from the southern part of the country (as the soil in the southern India is deficient in Zinc), while the demand from northern India is likely to continue. In addition to this, zinc sulphate is used as a supplement in animal feed.

Pharmaceutical: Pharmaceutical industry aids the demand of Zinc Sulphate. Human body does not have zinc sulphate storing ability therefore regular intake of zinc sulphate is required. It is also used to treat acne as it has wound healing and anti-inflammatory properties. It is used in number of over the counter products.

In addition to this Zinc Sulphate is also used to preserve wooden products from regular wear and tear. It is also used as a mordant in textile dyeing and paints industry. Due to zinc sulphate's anti-bacterial and anti-microbial properties, it is widely used in cosmetic products.

While there is huge demand potential for zinc sulphate in India, the sourcing of raw material for producing zinc sulphate, i.e. zinc ash, continues to be a major challenge.

Growth drivers of Zinc Sulphate

- **Deficiency of micro nutrients in soil**

Fertile soil is important for better quality crops as it can absorb the rainwater well, is easily cultivated and combat soil erosion. Fertility of soil depends on both soil quality and soil health. Soil health can be defined as the capacity of the soil to sustain the crop. A mix of macro and micro nutrients makes the soil fertile. Macro nutrients are used in large quantities by the plant whereas micro nutrients are required in small quantities. Nitrogen, phosphorus and potassium are some of the macro nutrients. Micronutrients on the other hand include boron, chlorine, copper, iron, manganese, molybdenum, and zinc. A balance between the macro and micro nutrients in important for proper plant growth. Few macronutrients or excess micronutrients hinders proper growth of the crop. Increased usage of zinc-based micro nutrients will potentially ensure better crop productivity and quality.

The soil quality in the southern states (primarily Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, and Telangana) has deficiency in zinc. To meet the zinc deficiency zinc sulphate is added in the soil thereby contributing to the rising demand of zinc sulphate in the country.

- **Agriculture:**

Agriculture is the primary source of livelihood for about 58% of India's population. As a result, the share of agriculture and allied sector to total Gross Value Added (GVA) has been significant and has increased over the years as shown here in the table.

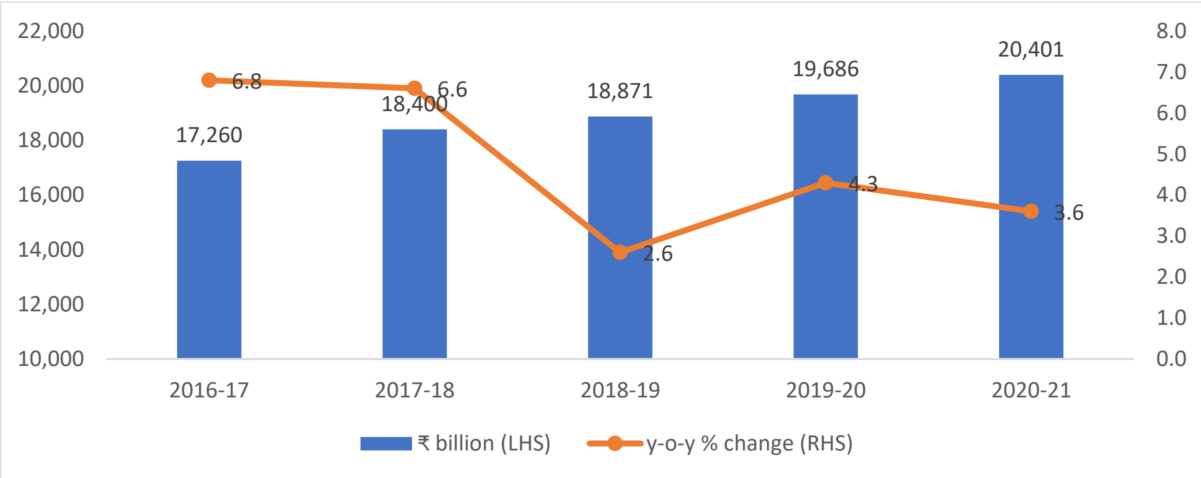
Table15: Percentage share of GVA of agriculture and allied sector to total economy

Year	% share
2018-19	17.6
2019-20	18.4
2020-21	20.2

Source: PIB release, CareEdge Research

The expansion in share of agriculture and allied sector's GVA is backed by an upward trend in the GVA of agriculture activities. During the five year period 2016-17 to 2020-21, the GVA for agriculture increased at a CAGR of 4.3% from ₹.17,260 billion in 2016-17 to ₹20,401 billion in 2020-21.

Chart 29: Trend in agriculture GVA at constant prices (₹ billion)



Source: CMIE, CareEdge Research

The growth in agriculture GVA has been supported by various measures on credit, market reforms and food processing. Moreover, in addition to several measures aimed at increasing productivity and improving marketing of agricultural produce, the government also carries out a large food management programme with a significant financial implication in terms of food subsidy. The growth in agriculture sector is expected to result in more demand of zinc sulphate based agrochemicals, in India thus aiding its overall production and consumption.

- **Government support**:

The government provides aid to the rural economy through various budget announcements that aim at reviving rural areas and raising farmer's income. In addition to this, growth in credit facilities to farmers through institutional credit mechanisms and low interest rate farm loans are likely to motivate farmers towards usage of pesticides that helps increase the productivity and yields of crops. Besides, increase in minimum support price (MSP) of crops also may contribute to pesticides usage. Zinc sulphate is the major ingredient of pesticides used in agriculture sector.

- **Growth in food demand:**

With expected increase in population, the demand for food grain in India is likely to rise. These consumption requirements are to be met with decreasing arable land and small holdings of land. Thus, raising farm productivity becomes important and this can be done with optimal usage of products like zinc sulphate based agrochemicals.

Indian soil has become deficient in both macro nutrients and micro nutrients. Increased usage of high yielding crop varieties and fertilizers has over the time made the soil devoid of healthy nutrients thereby reducing the productivity. Therefore the need to overcome nutrient deficiency is of utmost importance. National Food Security Mission is an initiative of Ministry of Agriculture, Govt. of India, which aims at creating awareness among farmers and promoting use of micronutrients in major pulse crops, rice, and wheat growing States of the country.

Table16: State-wise distribution of micronutrient deficiencies in Indian States (%)

Name of State	Percent samples deficient				
	Zinc	Iron	Copper	Manganese	Boron
Andhra Pradesh	22.92	17.24	1.33	1.63	4.08
Arunachal Pradesh	4.63	1.44	1.40	3.01	39.15
Assam	28.11	0.00	2.80	0.01	32.75
Bihar	45.25	12.00	3.19	8.77	39.39
Chhattisgarh	25.59	7.06	3.22	14.77	20.59
Goa	55.29	12.21	3.09	16.91	12.94
Gujarat	36.56	25.87	0.38	0.46	18.72
Haryana	15.42	21.72	5.13	6.16	3.27
Himachal Pradesh	8.62	0.51	1.43	6.68	27.02
Jammu & Kashmir	10.91	0.41	0.34	4.60	43.03
Jharkhand	17.47	0.06	0.78	0.26	60.00
Karnataka	30.70	7.68	2.28	0.13	36.79
Kerala	18.34	1.23	0.45	3.58	31.21
Madhya Pradesh	57.05	8.34	0.47	2.25	4.30
Maharashtra	36.60	23.12	0.14	3.02	20.69
Manipur	11.50	2.13	2.46	2.06	37.17
Meghalaya	3.84	1.33	1.03	2.95	47.93
Mizoram	1.96	0.49	0.98	1.22	32.76
Nagaland	4.62	2.00	0.53	3.05	54.31
Odisha	32.12	6.42	7.11	2.12	51.88
Punjab	19.24	13.04	4.67	26.20	18.99
Rajasthan	56.61	34.38	9.15	28.28	2.99
Tamil Nadu	63.30	12.62	12.01	7.37	20.65
Telangana	26.77	16.65	1.36	3.54	16.49
Tripura	5.51	1.57	2.36	0.00	23.62
Uttar Pradesh	27.27	15.56	2.84	15.82	20.61
Uttarakhand	9.59	1.36	1.51	4.82	13.44
West Bengal	14.42	0.03	1.76	0.98	37.05
All India	**36.50**	**12.80**	**4.20**	**7.10**	**23.40**

Source: Fertilizers Association of India, CareEdge Research

As is evident from the above data, several states in India have a substantial degree of zinc deficiency with highest deficiency reported in the southern state of Tamil Nadu at 63.3%. All the other southern states like Karnataka, Telangana, Andhra Pradesh and Kerala too have zinc deficiency that ranges between 18%-31%.Thus there is very strong demand from Zinc Sulphate by various fertilizer and micro-nutrient mixture companies in the southern states. In addition to this, other states like Madhya Pradesh, Rajasthan, Goa, Bihar, Maharashtra, Gujarat,Odisha, Assam, Uttar Pradesh, Chhattisgarh, Punjab also contributes towards demand for zinc sulphate. Zinc deficiency in these states raged between 19%-57%

Of all the micro-nutrient deficiencies mentioned, zinc deficiency is highest at 36.5% at all-India level compared to that of iron (12.8%), copper (4.2%), manganese (7.1%) and boron (23.4%).

Zinc deficiency is a major problem in coarse textured soil. Zinc micronutrient is required in protein synthesis and good seed quality with uniform maturity. Therefore, to meet this micronutrient deficiency food fortification is done. Food fortification is an important part of nutrition and wellness industry. Consumers have become conscious of improving their lifestyle and focus on healthier choices. This trend of consumer being conscious regarding their personal overall wellbeing is expected to continue in the future and drive demand for wellness industry including food premixes.

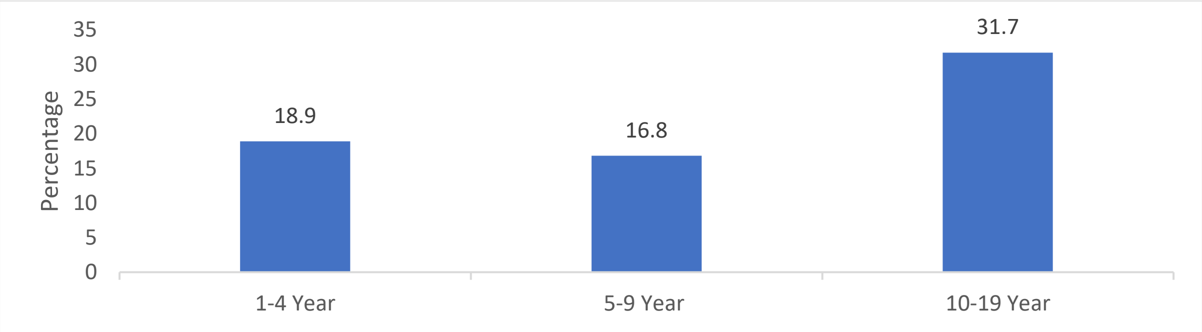
Micronutrient deficiency, also termed as hidden hunger is a cause for concern and is a serious health risk issue, hence it is important to have access to safe and nutritious food. It is commonly perceived that micronutrient deficiency occurs due to food insecurity however, many people from non-poor families and in food secure environment suffer from nutrient deficiencies due to lack of balanced diet and low bioavailability of nutrients.

The National Health Family Survey 2019-21 (NFHS-5) gives information on population, health and nutrition at India level and state/union territory level as well. Some of the key statistics are stated below:

- 67.1% of children in the age group of 6-59 months are anaemic
- 57.2% of non-pregnant women are anaemic (15-49 years age group)
- 52.2% of pregnant women are anaemic (15-49 years age group)
- 25% of men in the age group of 15-49 years are anaemic (15-49 years age group)
- 32.1% of children under 5 years of age are underweight
- 35.5% of children under 5 years of age are stunted
- 19.3% of children under 5 years of age are wasted
- Only 11.3% of children in the age group of 6-23 months receive an adequate diet

In addition, the prevalence of vitamins A, D and zinc deficiencies among 1 to 19-year-old children in India according to Comprehensive National Nutrition Survey (CNNS), 2016-18 is detailed below.

Chart 30: Percentage of adolescents with zinc deficiency in India



Note: For Zinc deficiency cut-offs, International Zinc Nutrition Consultative Group guidelines were used. Children aged 1–9 years were defined to have Zinc deficiency if serum zinc concentration was < 65 µg/dl. Adolescents aged 10-19 years old were defined to have define Zinc deficiency if serum zinc concentration was < 70 µg/dl (morning fasting) and < 66 µg/dl (morning non-fasting) in non-pregnant girls and < 74 µg/dl (morning fasting) and < 70 µg/dl (morning non-fasting) in boys.

Source: CNNS, 2016-18, CareEdge Research

Zinc deficiency

About 31.7% adolescents aged 10–19 years were suffering from zinc deficiency. 18.9% of children and 16.8% of the children in the age group of 1-4 years and 5-9 years were zinc deficient.

One of globally proven methods to address the problem of micronutrient deficiency is fortification of food. It means addition of micronutrients to food. It is intended to increase the content of the target micronutrients in the food and micronutrients are added to food during food processing and value addition.

Some of the key vitamins and minerals such as Iron, Iodine, Zinc, and Vitamins A & D are added to staple foods such as rice, wheat, oil, milk and salt and processed foods as well in order to improve their nutritional content.

Nurturing of zinc micronutrient with Fertilizer Control Order 1985

As per Schedule I of Fertilizer Control Order (FCO) 1985, zinc forms part of micronutrients which includes zinc sulphate heptahydrate, chelated zinc as Zn-EDTA, zinc sulphate mono-hydrate, zinc sulphate monohydrate (granular). Also, it is included under fortified fertilizers which consists zincated urea, zincated phosphate (suspension) – for seed treatment, NPK complex fertiliser fortified with zinc, DAP fortified with zinc and in 100% water soluble complex fertilizers that includes NPK Zn.

Zincated urea, while already included in the Fertilizer Control Order (FCO), is not being produced or marketed by the fertilizer industry due to a minor price disparity in India. ZnO suspension (39.5% Zn) is already included in the FCO. Inclusion of ZnO itself in the FCO is likely to improve the zinc fertilizer usage efficiency.

The main aim to use fortified fertilizers is increasing the crop nutrition. In addition to this, under the Nutrient Based Subsidy (NBS) policy, the government of India provides additional subsidy on usage of fortified fertilizers (fortified with boron and zinc) in order to increase their usage. The subsidy provided by the Government of India is ₹/MT 300 and 500 for boron and zinc, respectively.

Benefits of food fortification

Food Fortification is estimated to have a high benefit-to-cost ratio. According to the Copenhagen Consensus, it is estimated that every 1 Rupee expensed on fortification leads to 9 Rupees in benefits to the economy. It does require initial investments towards purchase of both the equipment and vitamin and mineral premix, however overall costs of fortification are extremely low. Even if all program costs are passed on to consumers, the rise in price is about 1-2% only.

Following are the various benefits of fortification of foods:

- Nutrients are usually added to widely consumed foods such as staples as this follows a broad-based approach and can aid in improvement of the health of population at large.
- It is a safe method in terms of improving health of people and the quantity of micronutrients is within the Recommended Daily Allowances (RDA) and is regulated as per prescribed standards for safe consumption.
- Cost effective method that does not require changes in food habits or eating patterns of people.
- It does not affect the taste, smell or texture of the food.

To promote food fortification the government of India on 8th April, 2022 announced fortification of rice (around ₹ 2,700 Crore Per Annum), entire cost to be borne by the Government of India.

OUR BUSINESS

Unless otherwise indicated or the context otherwise requires, the financial information for the six months period ended September 30, 2022 and Fiscal 2022, 2021 and 2020, included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us", "Company" or "our Company" mean J.G. Chemicals Limited and our Material Subsidiary. For further details relating to various defined terms used in our business operations, please see section titled "Definitions and Abbreviations" on page 2. Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Report on Zinc Oxide Industry" prepared and issued by CARE Advisory Research & Training Limited, exclusively commissioned and paid for by our Company in connection with the Offer (the "CARE Report"). For further details, see section titled "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 53. The CARE report is available at https://jgchem.com/governance/.

Unless otherwise indicated, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also please see section titled, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 18. Further, we have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Consolidated Financial Information or otherwise subjected to an examination, audit or review by our Statutory Auditors.

Our fiscal year ends on March 31 of every year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. Some of the information in this chapter, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements and the following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Information" on pages 32, 127, 291, and 235, respectively. The actual results of the Company may differ materially from those expressed in or implied by the forward – looking statements.

Overview

We are India's largest zinc oxide manufacturer in terms of production and revenue for zinc oxide manufacturing through French process, which is the dominant production technology for producing zinc oxide and has been adopted by all the major producers in Americas, Europe and Asia *(Source: CARE Report)*. The market share of our Company is around 30% as on March 2022 *(Source: CARE Report)*. We sell over 80 grades of zinc oxide and are among the top ten manufacturers of zinc oxides globally *(Source: CARE Report).* Since our incorporation in 2001, we have expanded our business and scale of operations and have grown into a large, diversified zinc oxide player with a global footprint. Our product caters to a wide spectrum of industrial applications, including in the rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil & gas and animal feed.

Owing to our legacy of over four decades in manufacturing businesses, we benefit from our experience in catering to a wide array of customers and we have built a long-standing relationship with customers across end-user industries in the tyres, ceramics, rubber, paints, cosmetics and batteries industry. Over the last three years, we marketed and sold our product to over 200 domestic customers and over 50 global customers in more than 10 countries.

In India, tyre industry accounts for 70% of rubber consumption *(Source: CARE Report)* and the companies in the tyre industry are the largest consumers of our product. Along with being suppliers to 9 out of top 10 global tyre manufacturers and to all of the top 11 tyre manufacturers in India, we also supply to leading paints manufacturers, footwear players and cosmetics players in India *(Source: CARE Report).* Our Material Subsidiary, BDJ Oxides is the only zinc oxide manufacturing facility in India to have an IATF certification, which is preferred by tyre manufacturers supplying to original equipment manufacturers *(Source: CARE Report)*. The table below, demonstrates the percentage of our sales to the various end-use industries we cater to:

(as a % of our revenue from operations)

Industry	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Rubber and tyres	89.66	90.10	89.20	89.90
Pharmaceuticals & chemicals	6.94	6.37	7.48	6.14
Agriculture	1.18	2.06	1.79	1.53
Others*	2.22	1.47	1.53	2.43
Total	**100.00**	**100.00**	**100.00**	**100.00**

**includes ceramics, paints & coatings, electronics & batteries, lubricants, oil & gas and animal feed end-user industries.*

As a manufacturer of zinc oxide, it is a pre-requisite in most of our end-use industries for our products to be customised according to the specifications by customers, which usually acts as a significant entry barrier. Further, high cost of product development, complexity of the chemistry involved in innovating and tailoring our products to the customised needs of our customers, which requires necessary technical expertise and lengthy and stringent supplier qualification process are the other entry barriers in our business. For further details on entry barriers, please see section titled '*Our Business-Competitive Strengths'* on page 174.

As on October 31, 2022, our aggregate installed capacity of 77,040 MTPA is spread across our three manufacturing facilities located at (i) Jangalpur (Kolkata, West Bengal); (ii) Belur (Kolkata, West Bengal); and (iii) Naidupeta (Nellore District, Andhra Pradesh), which is our largest manufacturing facility and is owned and operated by our Material Subsidiary.

Financial Year / Date	Installed Capacity		
	Zinc Oxide	Zinc Ingot	Zinc Sulphate and other allied chemicals
As at October 31, 2022	59,904	7,056	10,080
2022	46,464	5,040	NA
2021	38,832	NA	NA
2020	38,832	NA	NA

The installed capacity of our Naidupeta Facility specified above, has recently been augmented by an additional 13,440 MTPA for zinc oxide and 10,080 MTPA for zinc sulphate and other allied chemicals. All processes at our manufacturing facilities are undertaken with modern engineering systems to minimize emissions. We have installed recuperators in most of our furnaces to reduce our carbon footprint. We have also been granted the consent and hazardous waste authorisation order under the 'Orange Category' for generation, collection, storage, transport, reuse, recycling, utilisation, processing and treatment or any other use of hazardous or wastes and permissible quantity of emissions per hour at all our manufacturing facilities, by the respective state pollution control boards. In addition to the aforesaid accreditations, we are also a member of the All-India Rubber Industries Association, India Lead Zinc Development Association, Bureau of International Recycling, Indo-German Chambers of Commerce, Material Recycling Association of India, Chemicals and Allied Products Export Promotion Council and the International Zinc Association.

All our manufacturing facilities have been accredited with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015. With an intention to supply to customers in the European Union, we have also obtained the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals, Regulation (EC) No. 1907/2006) certification which allows us to supply our products to the European Union. Our recognition as a 'One Star Export House' by the Director General of Foreign Trade, Ministry of Commerce & Industry valid, from 2018 to 2023, signifies that our Company has excelled in international trade and has successfully contributed to country's foreign trade *(Source: Foreign Trade Policy, 2015-2020).* In the year 2021, Apollo Tyres Limited awarded us with the Apollo Gold Partner Award- Quality Champion for our significant contribution towards business partnership. We are also a member of the All India Rubber Industries Association and the Merchant's Chamber of Commerce & Industry since September 5, 2018. Our facilities are also subject to periodic audits by our customers, which ensures that our customers are able to continually confirm the quality of our product and evaluate our manufacturing processes. Further, our audit scores based on customer evaluations have been consistently in the higher end of the spectrum, which reflects the confidence of our customers in our products and processes.

We procure our raw materials from multiple domestic and global suppliers. Our primary raw materials are virgin zinc metal and Zinc Dross (which is a type of zinc scrap). We procure virgin zinc metal and Zinc Dross from various domestic and global entities. Zinc Dross is primarily produced by steel galvanizers as a by-product of steel production. The availability of zinc scrap is a challenge and the biggest constraint for new entrants in the market is to build a global supply network. Most of the Zinc Dross which comes from western countries is through old and established trading houses who work based on long term relationships and refrain from doing business with new entrants due to a wide range of complexities associated with dealing in Zinc Dross *(Source: CARE Report).* Our ability to utilise Zinc Dross for the production of zinc oxide helps us in reducing the carbon footprint since a by-product is used for production of our final product. Due to the difficult sourcing pattern of Zinc Dross, several zinc oxide facilities have faced supply side constraints due to which they have been forced to shut / curtail production and therefore, new players are often reluctant to enter the zinc oxide business *(Source: CARE Report).* We have successfully built a strong network of domestic suppliers as well as a diverse & global supplier base having procured raw materials from over 100 global suppliers in the last three years. Our extensive global supplier base enables us to evaluate the various available options and choose according to our commercial considerations. Some of these relationships have been nurtured over the years, enabling us to be termed as a preferred customer for certain global suppliers of Zinc Dross.

For the six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, our revenue from operations were ₹ 4,250.72 million, ₹ 6,128.30 million, ₹ 4,352.98 million and ₹ 3,993.91 million, respectively. Our revenue from operations, grew at a CAGR of 23.87% between Fiscals 2020 and 2022. For the six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, our restated profit after tax for the year was ₹ 357.13 million, ₹ 431.26 million, ₹ 287.99 million and ₹ 139.53 million, respectively. Our restated profit after tax, grew at a CAGR of 75.80% between the Fiscals 2020 and 2022.

Competitive Strengths

Leading market position with a diversified customer base

We are the largest manufacturer of zinc oxides in India and among the top ten manufacturers of zinc oxides globally, with an installed capacity of 59,904 MTPA for zinc oxide, 7,056 MTPA for zinc ingots and 10,080 MTPA capacity for zinc sulphate and other allied chemicals. The installed capacity of our Naidupeta Facility, has recently been augmented by 13,440 MTPA for zinc oxide and 10,080 MTPA for zinc sulphate and other allied chemicals. Production capacities, process of production, grades of ZnO and variety of application segments are some of the factors through which the key players control the market *(Source: CARE Report)*. We sell over 80 grades of zinc oxide, thereby enabling us to cater to a wide variety of customers, across various end-use industries.

In terms of volume, the zinc oxide production in India has been around 100 thousand tonnes – 115 thousand tonnes in the past 5 years from Fiscal 2018 to Fiscal 2022. During this period, the Indian zinc oxide market size is estimated at around ₹ 18,000 million to around ₹ 20,000 million. The Indian zinc oxide market is fragmented with limited presence of organized players, who constitute a major portion of the market due to high entry barriers for any new entrant *(Source: CARE Report)*. In terms of the export market, the top countries where India exported zinc oxide were mainly countries in the SAARC region and in South East Asia, (*Source: CARE Report*) which is also our primary export market, constituting 99.25% of our total exports in Fiscal 2022.

Our emphasis on customer driven marketing, wherein our Promoters take personal interest in sales, marketing and customer development activities with our key customers, which has helped us create a strong presence in the global zinc oxide industry. We believe this is one of the key factors for us being a supplier to 9 out of top 10 global tyre manufacturers and to all of the top 11 Indian tyre manufacturers *(Source: CARE Report).* Our products cater to a wide spectrum of industrial application including rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed. We cater to a diverse customer base across various end-use industries and have long-standing relationship with a few marquee customers in such industries. Diversification of our customer base across the domestic and global markets, has enabled us to further diversify and expand our business relationships. Our sales from exports for six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, have been ₹ 417.04 million, ₹ 545.08 million, ₹ 386.90 million and ₹ 379.37 million, respectively, comprising of 9.87%, 8.96%, 8.92% and 9.54%, of sale of our finished goods for the corresponding period. Our long-term association with key customers also offers significant advantages such as revenue visibility, industry goodwill and quality assurance. We believe that our ability to diversify into new markets, lack of dependence on any specific market and efficient operating process is a key strength in our business operations.

Automotive industry, in general, is the largest consumer of rubber. Tyre as a component, constitutes the largest consumers of rubber within the automotive industry where there is maximum rubber usage. In India, tyre industry accounts for 70% of rubber consumption. The increased production in automotive industry supported by high disposable income and rise in demand for electric vehicles will drive the growth of rubber industry *(Source: CARE Report)*. Our customers in the rubber industry have contributed ₹ 3,811.10 million, ₹ 5,521.60 million, ₹ 3,882.86 million and ₹ 3,590.53 million constituting 89.66%, 90.10%, 89.20% and 89.90% of our revenue from operations for the six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, respectively.

In the last five Fiscals, the tyre production in India has grown at a CAGR of 0.32% *(Source: CARE Report)*, whereas in the same period, we have grown our volumes at a significantly higher CAGR of 12.10%. Despite slow growth of our biggest end-use industry customer, we have been able to grow primarily on account of (i) our long term relationships with tyre companies which have been developed through our products we offer them; (ii) our ability to scale up production as per our customer requirements; (iii) certainty of and on time supply of our products to our customers; and (iv) our ability offer the right quality at the right price to our customers. Further, even though the demand in the automotive sector has been slow in the last few Fiscals, we also cater to the replacement market, which is around 55% of the total tyre demand *(Source: CARE Report)*.

We believe that our leadership position in the Indian domestic markets is a consequence of (a) consistency of our product quality, which has resulted in our Company being considered as a preferred supplier to certain marquee tyre manufacturers; (b) our established infrastructure; and (c) the strategic location of our manufacturing facilities near the demand of such products. Our leadership position offers us competitive advantages such as product pricing, economies of scale, and the ability to scale our business, increase customer loyalty and expand our client base, all of which have in turn resulted in the growth of revenues and profit over the last three Fiscals.

High entry barriers in key end-use industries

Our end-use industries have significant entry barriers due to specific factors unique to such end-use industries. Given the nature of the application of our products and the processes involved, our products are subject to, and measured against high quality standards and rigorous product approval systems with stringent impurity specifications. Further, because end products manufactured by our customers are typically subject to stringent regulatory and industry standards, any change in the vendor of the product may require significant time and expense on part of the customers, which acts an entry barrier and disincentives any such changes for them. Some of the entry barriers for our end-use industries are:

- *Stringent vendor approval process* – Tyre manufacturers are under strict scrutiny from the OEMs for product quality. Hence in the last 15 years, they have changed their sourcing strategy from having low cost suppliers to focus on scalability, reliability of supplies, infrastructure, systems and product quality and systems. Large tyre manufacturing companies want to deal with suppliers who have an existing track record. For any change in suppliers, tyre manufacturers have a lengthy and expensive process of testing the product to evaluate its impact on the tyre quality. Hence, there is resistance to change or add any new suppliers, since, the approvals take significant time of upto 5 years once initiated. Even with their existing suppliers, tyre manufacturers insist on taking supplies from the same production facility. Large tyre manufacturing companies want to deal with zinc oxide manufacturers who have the ability scale up their operations, rather than dealing with many small or new vendors as the approvals and testing process for zinc oxide undertaken by tyre manufacturing companies is a long and expensive process. Similarly, the product approvals for specialty chemicals industries are strict and stringent and not only does it take a long time in obtaining the approval, but also involves significant expenditure (*Source: CARE Report)*. Our Material Subsidiary, BDJ Oxides is the only zinc oxide manufacturing facility in India to have an IATF certification (*Source: CARE Report)* and has also obtained the requisite licenses from Government of Andhra Pradesh Drugs Control Administration in the year 2020, to manufacture zinc oxide in accordance with IP/ BP/ USP/ Ph. Eur standards (i.e. Indian Pharmacopoeia/ British Pharmacopoeia/ United States Pharmacopeia/ European Pharmacopeia). We are one of the few players in the industry to have certifications related to pharma industry (*Source: CARE Report)*. We believe such certifications enables us to cater to varying needs of the industry and open new areas of growth in the pharmaceutical industry.

- *Raw material tie-ups*- Zinc Dross is produced as a by-product by steel galvanizers. The availability of Zinc Dross is a challenge and the biggest constraint for new entrants in the market is to build a global supply network *(Source: CARE Report)*. The overall domestic availability of Zinc Dross is far less than requirement and therefore, there is a need to import the same. Since the availability of Zinc Dross is limited and traders prefer selling Zinc Dross to large buyers instead of small ones, due to advance payment requirement, it prevents new entrants into the market. Due to the difficult sourcing pattern for this product, new players are reluctant to enter zinc oxide business. Several zinc oxide facilities have faced supply side constraints due to which they have been forced to shut / curtail production *(Source: CARE Report)*. We have built a diverse global supplier base having procured raw materials from over 100 global suppliers in the last three years. Our extensive global supplier base enables us to evaluate the various available options and choose according to our commercial considerations. Some of these relationships have been nurtured over the years, enabling us to be termed as a preferred customer for certain global suppliers of Zinc Dross.

- *Technical expertise*- Most of the zinc oxide produced in India is from Zinc Dross. Zinc Dross is a scrap and there is no uniform grade of zinc scrap. Every galvanizer generates Zinc Dross which is different in terms of quality and therefore the productivity and quality of zinc oxide which is derived from it, varies. The chemistry involved in making a consistent quality of zinc oxide using different types of Zinc Dross is a complex process. Understanding this and customising the zinc oxide manufactured in line with customer specifications across end-use industries is one of the key challenges as each buyer has a separate specification and there are no standard specifications accepted across any end user application (*Source: CARE Report).* We have a dedicated focus on developing products which are customized as per the specific needs and grades specified by our customers. We always maintain a reasonable amount of inventory across all our facilities and have a stable supply of raw materials, which enables us to blend different compositions of Zinc Dross to produce the required grade of zinc oxide and supply the same as per the specifications provided by the customers. Our ability to address the varied and stringent client requirements over long periods enables us to serve our customers at all times. This has helped us to obtain additional business from existing customers as well as nurture new customer relations in an industry marked by high entry barriers. Our strength lies in ensuring that a wide variety of grades can be produced on an on-going basis in the plant with minimum down-time and maximum efficiency.

- *High working capital requirements*- The traders who sell Zinc Dross, the raw material for zinc oxide production, prefers advance payments from zinc oxide manufacturers. Also, sales made by zinc oxide manufacturers to customers are mostly on credit. These credit terms may vary depending on the customer, industry and the bargaining power of the suppliers and customers, leading to a high working capital requirement in the zinc oxide industry which acts as a major deterrent for entry of new players (*Source: CARE Report)*. We procure our raw materials on an advance basis in cash and the sales made by us to our customers is mostly on credit.

- *Supplier customer relationship*- In the speciality chemicals industry, customers select their suppliers after critically evaluating them and therefore choose to have a long-term relationship with them as the cost to change the suppliers is significant *(Source: CARE Report).* Various of our customers have conferred on us the status of preferred supplier, primarily due to our focus on building long term relationships which helps us in achieving higher profits with increase in order volumes.

We believe that we have, over the years, built strong relationships with our customers, who recognise our technical capabilities and timely deliveries and associate our Company with good and consistent quality products. Further, some of our largest customers have been procuring our products from us for over 15 years.

Strong and consistent financial performance

We have experienced sustained growth with respect to the various financial indicators as well as a consistent improvement in our balance sheet position. Further, in the last three Fiscals, we have seen an increase in our net worth. Our customers in the rubber industry have contributed ₹ 3,811.10 million, ₹ 5,521.60 million, ₹ 3,882.86 million and ₹ 3,590.53 million constituting 89.66%, 90.10%, 89.20% and 89.90% of our revenue from operations for the six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, respectively.

In the last five Fiscals, the tyre industry has grown at a CAGR of 0.32%, *(Source: CARE Report)* whereas in the same period, we have grown our volumes at a significantly higher CAGR of 12.10%.

The table below sets forth some of the key financial indicators for the six months period ended September 30, 2022 and Fiscal ended 2022, 2021 and 2020:

(in ₹ million except percentages and ratios)

Key Financial Performance	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations[(1)]	4,250.72	6,128.30	4,352.98	3,993.91
Total Income[(2)]	4,322.03	6,230.47	4,404.05	4,072.69
EBITDA[(3)]	523.14	663.78	486.07	271.41
EBDITA Margin (%)[(4)]	12.31%	10.83%	11.17%	6.80%
PAT	357.13	431.26	287.99	139.53
PAT Margin (%)[(5)]	8.40%	7.04%	6.62%	3.49%
Operating Cash Flows	420.09	67.52	(73.46)	408.67
Net Worth[(6)]	1,822.35	1,476.58	1,084.77	849.51
Net Debt[(7)]	(586.51)	(39.59)	(136.22)	45.39
Debt Equity Ratio[(8)]	0.29	0.62	0.69	0.62
ROCE (%)[(9)*]	21.15%	25.83%	25.27%	18.36%
ROE (%)[(10)*]	20.40%	30.64%	24.23%	16.47%

**Not annualised*

Notes:

(1) *Revenue from operation means revenue from sales, service and other operating revenues.*

(2) *Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.*

(3) *EBITDA means Profit before depreciation, finance cost, tax and amortization*

(4) *'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.*

(5) *'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.*

(6) *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss 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, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.*

(7) *Net Debt is total of short term borrowing, long term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.*

(8) *Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long term debt) and equity share capital plus other equity.*

(9) *Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short Term Borrowing.*

(10) *Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.*

For further details on our key performance indicators, please see section "*Basis for Offer Price – Key Operational and Financial Performance Indicators*" on page 120.

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our strong balance sheet coupled with low levels of debt enable us to pursue opportunities for further growth. In addition, our business has high working capital requirements and our strong balance sheet allows us to meet such requirements and is a factor critical to our business. Our financial strength and access to financing provides us a valuable competitive advantage over our competitors. For further details on a comparative analysis of our financial position and revenue from operations, please see section titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 291.

Long-term relationships with customers and suppliers & having robust supply chain

Our Company believes in establishing a direct relationship with our customers and over 95% of our sales in the last three Fiscals is directly to our customers without involvement of any intermediary/distributor, which helps us build a strong relationship directly with our customers along with lowering of costs and improvement in our returns. With many of our customers, our relationship extends to several years. In the last three Fiscals and as of September 30, 2022, we catered to more than 250 customers, of which around 90% customers were repeat customers. Such long-term association with key customers also offers significant competitive advantages such as revenue visibility, industry goodwill and enables us to demonstrate our quality. As a result of our deep rooted association with our customers, our Company often receives new product requirements from such customers which in turn, helps us to expand our product base.

On the procurement side, most of the Zinc Dross which comes from overseas is through old and established trading houses who work based on long term relationships and refrain from doing business with new entrants due to a wide range of complexities associated with dealing in Zinc Dross *(Source: CARE Report)*. We have built a diverse global supplier base having procured raw materials from over 100 global suppliers in the last three Fiscals. Our extensive global supplier base enables us to evaluate the various available options and choose according to our commercial considerations. Some of these relationships have nurtured over the years, enabling us to be termed as a preferred customer for various global suppliers of Zinc Dross.

Our long-standing relationship with our suppliers and customers envisioning a partnership approach together with our internal processes, including exercise of supplier quality assurance system has enabled us to ensure a robust supply chain. We are committed to providing high quality products to our customers and to meet this commitment, we have implemented good manufacturing practices across our manufacturing sites, encompassing all areas of business processes right from supply chain to product delivery. This enables us to maintain consistent quality, efficiency and product safety.

We always maintain a reasonable amount of inventory across all our facilities and have a stable supply of raw materials, which enables us to blend different compositions of Zinc Dross to produce the required grade of zinc oxide and supply the same as per the customer specifications. Our ability to address the varied and stringent client requirements over long periods enables us to serve our customers better. This has helped us to obtain additional business from existing customers as well as nurture new customer relationships in an industry marked by high entry barriers.

Experienced and dedicated management team

We are led by qualified and experienced Promoters and management team, that we believe has the expertise and vision to manage and grow our business. Our Promoters, Suresh Jhunjhunwala, Anirudh Jhunjhunwala and Anuj Jhunjhunwala have a cumulative experience of over 8 (eight) decades in the industry and have been instrumental in our Company's growth and development. Suresh Jhunjhunwala, one of our Promoters, has been at the helm of our Company since 2001, prior to which he was involved in various manufacturing businesses which has led to him forging strong ties with our customers. Anirudh Jhunjhunwala and Anuj Jhunjhunwala are second generation entrepreneurs and bring their acumen in finance and process chemistry to our business. In addition to the commercial acumen that they bring to our business, they also take personal interest in customer development activities. They strive to maintain regular contacts with customers and monitor monthly reviews and market research reports of customer's monthly performance in our business. They have also been instrumental in identifying and initiating dialogue with new customers and existing customers for development of new products.

Our Promoters are ably supported by our management team's collective experience and capabilities which enables us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships, and respond to changes in customer preferences. Our management team continues to focus on production, marketing and new growth areas. We believe that the knowledge and experience of our Promoters, along with team of skilled personnel, provides us with a significant competitive advantage, as we seek to expand our production capacities and product portfolio, as well as in our existing markets and new markets.

Focus on long term sustainability with environmental initiatives and safety standards

We have a strong focus on sustainability in all aspects of our operations and over the years have adopted various green initiatives. Caring for the environment and sustainable development along with being the core principles that drive our organization is also desired by our customers and accordingly, we constantly strive to reduce emissions and recycle and reuse to conserve natural resources. As a part of our initiatives towards continual improvement, we have also obtained the Environment Management System certification under the new standard of ISO 14001: 2015 for each of our manufacturing facilities.

We use the French process to produce various grades of zinc oxide, and use modern pulse jet bag filters and combustion systems which ensures high productivity, low energy consumption and maintains required standards with respect to emission norms. We believe in adopting a sustainable manufacturing process and use over 90% recycled metal, i.e. secondary zinc (dross/ scrap/ scrub) as our raw material, instead of virgin metal, which helps us in lowering the emission of carbon dioxide, reduces air and water pollution and also reduces water use by considerable quantity. We have also installed recuperators in most of our furnaces. Recuperators are a special purpose counter-flow energy recovery heat exchanger that recover the waste heat from the manufacturing process and help in reducing our carbon footprint and our energy consumption.

Our ability to utilise Zinc Dross for the production of zinc oxide, also helps us in reducing the carbon footprint since a by-product is used for the production of our final product. We believe that having such a strong focus on sustainability is beneficial for our business operations as environmental concern has become a major challenge in the 21st century and, therefore, sustainable development and use of eco-friendly products has increased in the past few years across all major industries *(Source: CARE Report).*

Strategies

Expand our production capacities and broadening the footprint of manufacturing operations

Our Company has existing manufacturing facilities in the eastern and southern part of India. While we have been delivering our products to all parts of India, we intend to increase our production capacities and broaden our manufacturing operations. We have recently expanded our existing manufacturing facility located in Naidupeta, District Nellore in the state of Andhra Pradesh by 23,520 MTPA of which 13,440 MTPA will be utilised for zinc oxide and 10,080 MTPA will be utilised for producing zinc sulphate and other allied chemicals. With this expansion, our cumulative installed capacity, along with our subsidiary, has increased to 77,040 MTPA.

Further, we propose to establish a greenfield manufacturing facility in the state of Gujarat. We believe that establishing a presence in the western part of India by setting up or acquiring a new manufacturing facility will, in addition to augmenting our manufacturing capacity, also enable us, to capture market share by catering to the needs of the ceramics, pharmaceuticals and tyre industries, which have a presence in the western part of India. Setting up manufacturing operations in the western part of India will also provide us easier access to cater to the needs of such industries and increase our sales due to the proximity of various manufacturing facilities in these industries in this part of India.

Zinc oxide is also used in other specialty chemicals, petroleum additives and other allied products, the demand for which is prevalent in the western part of India since it is a large chemical production zone *(Source: CARE Report)*. The new manufacturing facility will also ensure speedier delivery of products to different parts of India and be more cost efficient in terms of logistics on a pan-India basis. Going forward, we will continue to periodically review the functioning of our product development strategy, identify further scope for expansion and undertake projects to increase our production capabilities and margins.

We are an approved vendor to most of the large global tyre companies having a significant presence in South-east Asia, which has seen a strong increase in tyre production due to availability of natural rubber, good port connectivity enabling exports and shifting of tyre capacity from China to South-east Asia to circumvent the anti-dumping duties put on Chinese tyre producers by USA. With a view to further diversify our overseas customer base, we intend to augment our sales in the foreign markets where we sell our products, thereby, increasing our market share in the existing geographies. With a view of undertaking such expansion, we are currently exploring both organic and inorganic growth opportunities in South-east Asian countries, enabling us to increase our market share in the overseas market. Thailand, amongst the other south-east Asian countries has emerged as an attractive market for our Company since (a) the area is the largest rubber exporter in the world; (b) expansion of capacities by international tyre manufacturers and (c) favourable regulatory regime supportive of tyre manufacturers *(Source: CARE Report)*. We believe our existing relationships with strong customer base in the region and demonstrated expertise in manufacturing of zinc oxide and specialty products, will facilitate the process and will enable us to acquire new customers.

Further diversify our product offerings and enter new verticals

We constantly seek to introduce new product verticals and develop our product capabilities to distinguish ourselves from our competitors to enhance our product portfolio. Going forward, growth in the end user industries is expected to fuel the increase of zinc oxide which has properties like high chemical stability, high electrochemical coupling coefficient, broad range of radiation absorption and high photo stability *(Source: CARE Report)*. The past two decades have seen a significant shift in the speciality chemicals industry and as the specialty chemical applications increases; specifically due to growth in end-use industries like automotive, rubber industry, ceramics, pharmaceuticals & cosmetics, paints & coatings, agrochemicals, nutraceuticals, animal feed and batteries in the Indian market, the demand for zinc oxide will grow exponentially *(Source: CARE Report)*. We believe that an expansion into new verticals of product offerings will lead to a further increase in our operational margin, which was 12.00%, 10.39%, 10.63% and 6.33% in the six months period ended September 30, 2022 and in Fiscal 2022, 2021 and 2020, respectively.

Zinc Sulphate

The demand for zinc sulphate which is a micro-nutrient used *inter alia* in the zinc based agri-chemicals industry, has been increasing over the last few years. The soil quality in the southern part of India, primarily in in states like Andhra Pradesh, Karnataka, Telangana, Kerala and Tamil Nadu, is deficient in zinc micronutrient, and to meet the zinc deficiency in the soil, zinc sulphate is added, thereby contributing to the rising demand of zinc sulphate in the country. However, sourcing of raw material for manufacturing zinc sulphate, i.e. zinc ash, is a major challenge *(Source: CARE Report)*. Presently, our manufacturing process leads to generation of zinc ash, which we sell in the market. However, going forward, we intend to utilize the in-house availability of zinc ash in production of zinc sulphate, in addition to procuring zinc ash from third parties to tap into the rising demand by various fertilizer and micro-nutrient mixture companies located the southern part of India. Also, some of our customers use both zinc oxide and zinc sulphate, thereby enabling us to cross sell our products.

We have recently expanded our manufacturing facility in Naidupeta for the production of zinc sulphate, which is also capable of producing other allied chemicals, to meet the expected significant demand for zinc sulphate from the southern part of India. We intend to produce other allied agriculture nutrients like ferrous sulphate hepta hydrate and magnesium sulphate hepta hydrate in the same facility with minor operational modifications, to produce such products with the desired efficiency.

We also intend to develop a new brand which focuses specially in the production and marketing of the zinc sulphate we manufacture, with an intention to leverage our existing customer base and distribution network to expand our product portfolio, wherein our customers can procure both, zinc oxide and zinc sulphate from our manufacturing facility in Naidupeta. Our relationships with existing steel galvanizers and in-house generation of zinc ash, would ensure consistent and assured supply of raw material, which will give us a significant cost advantage, while at the same time optimize our efficiencies and increase our profit margins.

Pharmaceutical Grade Zinc Oxide

We intend to gradually increase the production of pharmaceutical grade zinc oxide for, which we received license in the year 2020 and for which our subsidiary, BDJ Oxides has already obtained the requisite licenses from Government of Andhra Pradesh Drugs Control Administration in the year 2020, to manufacture zinc oxide in accordance with IP/ BP/ USP/ Ph. Eur. standards and further, intend to obtain the GMP certificate. We believe such certifications will enable us to cater to varying needs of the industry and open new areas of growth.

Specialized Zinc Oxide/Activated Zinc Oxide (Zinc Carbonate)

We intend to cater to the demand for active zinc oxide grade, which is extensively used in electronics, petroleum and environmental protection industries. We believe the various initiatives and PLI schemes offered by the GoI, to focus on the local manufacturing and adoption of zinc oxide will lead to an increase in the demand for high-grade zinc oxides which are mostly being imported, at present. Since the production process of this grade is similar to that of zinc sulphate, it can be produced in the same manufacturing facility, thereby optimizing utilization of such facility.

Zinc based agri-chemicals and nutrients

We intend to expand into many other zinc based chemicals and nutrients such as Zinc EDTA 13% and Zinc 39.5% solution which find application in agriculture, micro-nutrients and zinc based feeds & additives. We believe that the basic production process for many of these can be achieved within our Naidupeta Facility, which we have recently expanded, by adding new plant and machinery. Also, the basic raw materials for production of these chemicals are zinc oxide and zinc sulphate, both of which are or will be produced by us. Accordingly, we believe, we are rightly positioned to leverage our existing position to diversify our product and customer base and consequently, increase our revenues.

Deep mining of existing customers and continued focus to expand customer base

We believe that our leading market position within the various markets where we are present, as well as our long-standing relations with our customers positions us well to increase wallet share with our existing customers, and to continue focusing on expanding our customer base.

Over the years, our Company has become a preferred supplier for many global & domestic tyre companies, which have gradually started moving towards the concept of a local vendor base and reduce reliance on imports to rationalise inventory. We believe having a local manufacturing presence in such countries in South-East Asia, which are strong bases of the tyre companies, will help us address the sourcing requirements of our existing customers as well as engaging in deep mining of our current product portfolio across new spectrum of customers. Harnessing our global footprint and experience, we intend to increase the reach of our specialty products to our existing customers and expand our wallet share with them and also have deeper penetration in the markets.

In addition to the above, we are also exploring the possibilities of developing new chemicals and compounds to cater to our existing customers. For instance, we are exploring both organic and inorganic growth opportunities for manufacturing zinc stearate and further, intend to develop more products which address disparate aspects within the rubber industry such as reclaim rubber which has several end use for our customers. We expect the reclaim rubber industry to undergo changes due to the proposed laws of recycled content in tyres and we intend to develop more products which address disparate aspects within the rubber industry such as reclaimed rubber. We believe that there are number of smaller rubber chemical manufacturers, and we expect to avail of inorganic growth opportunities that arise in the industry. We believe that this will put us in a unique position to cater to our existing customers.

We intend to continue to leverage our direct marketing and distributor network and our industry standing to establish relationships with new export and local customers and expand our customer base. We intend to increase the export contribution to our revenue by adding more new and customised products to our product portfolio.

Increasing focus on R&D to support complex chemistries, product innovation and cost efficiencies

We have a dedicated focus on developing specialty products, customized to the specific needs of our customers, which has been demonstrated by our long-term customer relationships. Presently, our R&D processes focus on manufacturing zinc oxide with varied specifications suited for our end-use industries, on the floor of our manufacturing facilities itself, without there being a need for a separate R&D facility for such advances. However, as one of our objects of the Offer, we intend to establish a separate R&D facility to undertake complex innovations in our products for making the same available to pharmaceuticals, agro-chemicals and battery end-use industries, among others. Presently, our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, does not have a separate line item for expense on R&D activities.

We are also exploring ways to develop battery grade zinc oxide and chemicals. Zinc oxide battery helps to play a major role in semiconductor ceramic elements for operation at elevated temperatures or high voltages *(Source: CARE Report)*. We are already catering to some existing battery manufacturers and are working on developing certain tailor-made products for the battery sector. The battery industry is emerging as a critical sector in the transition to a more sustainable future and this industry is expected to grow since the market is shifting to renewable technologies *(Source: CARE Report)*. India is currently at the nascent stage of creating domestic cell manufacturing ecosystem and has a negligible presence in the global market for manufacturing of advanced cell technologies. But there is an enormous potential for large scale battery manufacturing units which could allow domestically produced batteries to cater to demand of grid storage applications, consumer electronics, and other uses. It is estimated that in accelerated case, the annual demand for batteries by 2030 will be around 106GWh to 260 GWh. In terms of market size, the annual market for stationery and mobile batteries could surpass ₹ 1.12 trillion by 2030 *(Source: CARE Report)*.

We believe our strategic focus on R&D has been critical to our success and is a differentiating factor in becoming one of the key suppliers of our products. Accordingly, we intend to continue to focus on R&D and undertake product innovation to enable us to introduce new products, increase our productivity and operating efficiency, deepen penetration in existing markets and serve as the cornerstone to our success in new markets. We intend to diversify our existing product portfolio by adding new products which are synergistic with our existing products and chemistries.

Our Business Operations

Our Product

Zinc oxide is an inorganic compound, white in colour and insoluble in water. The chemical formulae for zinc oxide is ZnO. Zinc oxide is present in the earth's crust as mineral zincite and usually contains manganese and other impurities. Hence, for commercial use it is synthetically made. Zinc oxide has a lot of properties that makes it desirable to various end user industries *(Source: CARE Report).* Zinc oxide as a compound has varying grades, depending on the end-use and is not a one size fits all product. Each end user industry segment has its own peculiarities in terms of specifications and within each user industry, each customer also has different specifications and requirements. Hence, there is an extremely high degree of customization which is required not just in operating parameters but also in plant design and engineering which has to be factored while building new plants to ensure that multiple grades can be produced at the required volumes on a continuous basis. We sell over 80 grades of zinc oxide manufactured across all our plants to cater to our variety of customers for a wide spectrum of industrial applications in the rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed. We sell our finished goods in the domestic as well as international markets.

Commercial grades of zinc oxide are divided by purity and by particle size. These categories are due to the difference in the manufacturing process. The purity range of zinc oxide ranges from 98.50% to 99.90% and within this range customers have various other specifications with respect to impurities *(Source: CARE Report).*

Zinc oxide is produced from two types of raw materials namely zinc metal and Zinc Dross. The availability of raw materials impacts zinc oxide prices and production. Zinc oxide produced from zinc metal is of high quality and is the preferred material for production of zinc oxide for purity level of 99.9%. Zinc Dross is basically the scrap which remains post galvanization of steel. During the galvanizing process, in addition to Zinc Dross, another by-product is generated which is called zinc ash. Just like procurement of Zinc Dross is a challenge, the availability of zinc ash is also a challenge *(Source: CARE Report).* Presently, we also sell zinc ash which is a by-product of our manufacturing process to a few customers. However going forward, we intend to utilize the in-house availability of zinc ash in the production of zinc sulphate.

During the five-year period CY17 to CY21, the global zinc oxide market size grew from USD 4,472 million in CY17 to USD 4,923 million in CY21 and increased at a CAGR of 2.4% backed by demand from end user industries. In terms of production, the global output of zinc oxide has been in the range of around 1.40 million tonnes to 1.60 million tonnes during CY17 to CY21 *(Source: CARE Report)*.

Manufacturing Facilities

We have three manufacturing facilities at Belur and Jangalpur, located in Kolkata district, West Bengal and at Naidupeta, located in Nellore district, Andhra Pradesh. Our manufacturing facilities are supported by infrastructure for storage of raw materials, and storage of finished goods, along with a team of quality assurance personnel. In addition, we use the French process to produce various grades of zinc oxide, and modern pulse jet bag filters and combustion systems at all our manufacturing facilities.

Set out below are details of our manufacturing facilities:

Belur Facility

The manufacturing facility at Belur, commenced operations in 2001, with an installed capacity of 1,800 MTPA. As on October 31, 2022, this facility had an installed capacity of 1,800 MTPA for zinc oxide.

A summary of the plant & machinery operated by our Company at our Belur Facility is as below:

Sr. No.	Technical specification	Sets (nos.)
1.	Complete zinc oxide production line consisting of furnaces, storage tanks, bag filters, blowers, blenders, combustion systems, compressors, electrical panels, packaging systems and material handling equipment's and instrumentation controls	1

Jangalpur Facility

The manufacturing facility at Jangalpur, commenced operations in 2005, with an installed capacity of 3,600 MTPA. As on October 31, 2022, this facility has an installed capacity of 14,400 MTPA for zinc oxide along with an installed capacity of 5,040 MTPA for zinc ingots.

A summary of the plant & machinery operated by our Company at our Jangalpur Facility is as below:

Sr. No.	Technical specification	Sets (nos.)

1.	Complete zinc oxide production line consisting of furnaces, storage tanks, bag filters, blowers, blenders, combustion systems, compressors, electrical panels, packaging systems and material handling equipment's and instrumentation controls	4
2.	Complete zinc ingot production line consisting of furnace, bag filter, compressor, blower, combustion system, electrical panel, crane and instrumentation controls	1

Naidupeta Facility

The manufacturing facility at Naidupeta, commenced operations in 2016, with an installed capacity of 7,200 MTPA. As on October 31, 2022, this facility has an installed capacity of 43,704 MTPA for zinc oxide, 2,016 MTPA for zinc ingots and 10,080 MTPA for zinc sulphate and other allied chemicals.

A summary of the plant & machinery operated by our Company at our Naidupeta Facility is as below:

Sr. No.	Technical specification	Sets (nos.)
1.	Complete zinc oxide production line consisting of furnaces, storage tanks, bag filters, blowers, blenders, combustion systems, compressors, electrical panels, packaging systems and material handling equipment's and instrumentation controls	9
2.	Complete zinc sulphate production line consisting of reactors, storage tanks, crystallisers, centrifuge, pumps, motors, dryers, bag filters, blowers, compressors, electrical panels, packaging systems, ancillary equipments and material handling equipment's and instrumentation controls	1

Utilities

All our manufacturing facilities have access to the necessary utilities, like air, electricity and water. Electricity is provided by West Bengal State Electricity Distribution Company Limited for our manufacturing facilities located at Belur and Jangalpur and by Southern Power Distribution Company of Andhra Pradesh Limited for our Naidupeta Facility. We also have the provision of 100% DG power backup at all our manufacturing facilities in case of any sudden disruption or power failure. We also maintain back-up machinery for all critical equipment like blowers, blenders and collection systems to ensure seamless production of our products.

Capacity and Capacity Utilisation

As on the date of this Draft Red Herring Prospectus, our total installed capacity across our three manufacturing facilities is 77,040 MTPA. We have recently added an additional 23,520 MTPA installed capacity at our Naidupeta Facility, which is split into 13,440 MTPA for zinc oxide and 10,080 MTPA for zinc sulphate and other allied chemicals.

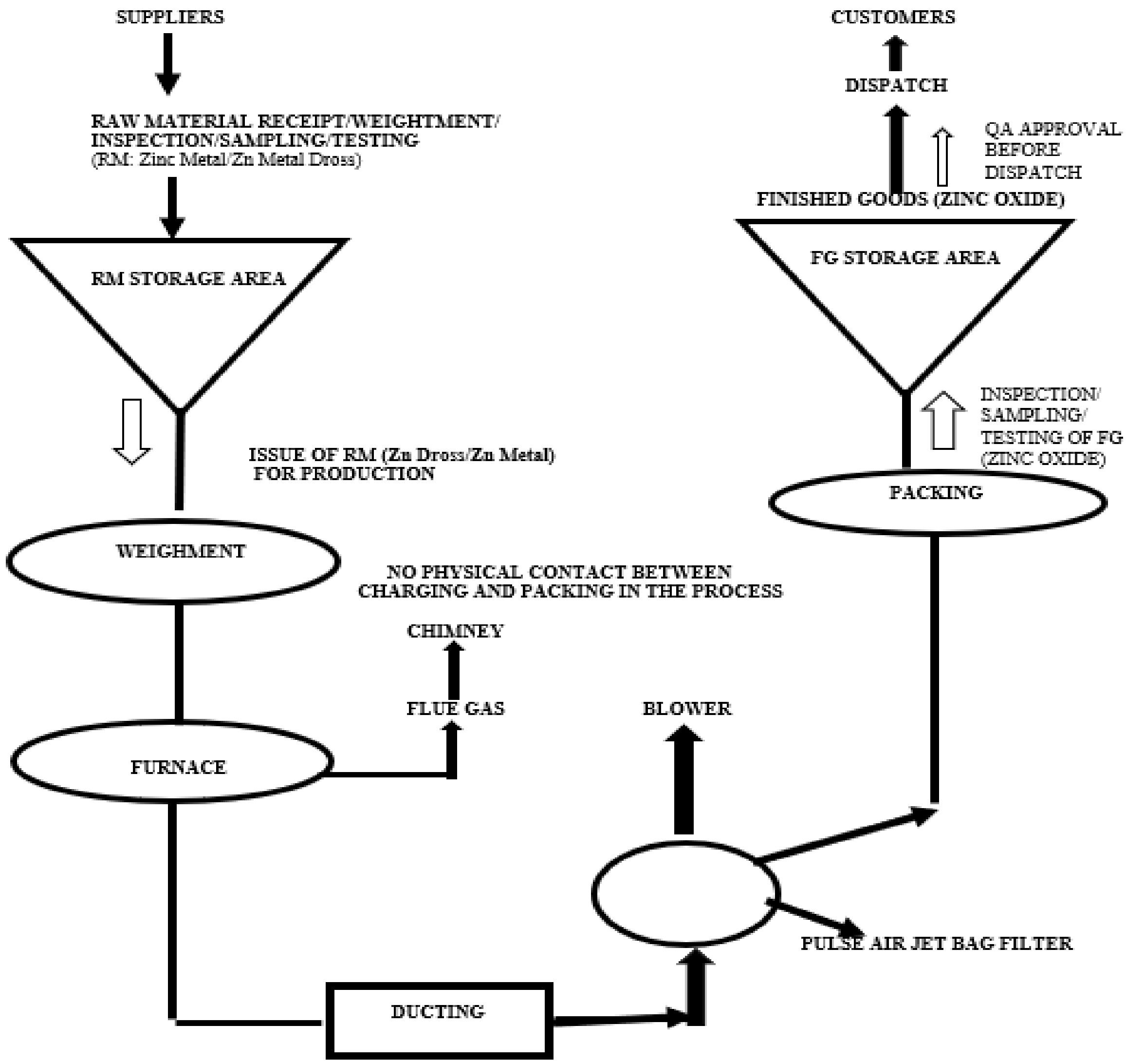
Our total installed capacity for zinc oxide at all our manufacturing facilities for the last three Fiscals and for six months period ended September 30, 2022 is set out in the table below:

Particulars	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Installed Capacity (MTPA)	59,904	46,464	38,832	38,832

Manufacturing Process

Zinc oxide is made through three processes for commercial uses namely, indirect process, direct process and wet chemical process. The indirect process is also known as the French process. Here, the metallic zinc is melted in silicon carbide / graphite bonded crucibles vapor. It then reacts with oxygen in air to give zinc oxide. Most of the world's zinc oxide is manufactured through the French process as zinc oxide produced through French process has use in many applications and its chemical properties are more conducive. The direct process also known as the American process, starts with diverse contaminated zinc composites. The zinc precursors are reduced by heating with a source of carbon to produce zinc vapor and then oxidized as in indirect process. Since it is produced from impure zinc and zinc ores, the purity level of zinc oxide through the direct process is also of lower quality compared to indirect process. Similarly, in the wet chemical process which starts with aqueous solutions of zinc salts which is precipitated. The zinc oxide produced using this technology is slight off-white / yellowish in colour. Due to zinc oxide produced through the American process and wet chemical process not being of the highest quality, the usability of the same is very restricted and these processes are slowly reducing as end user application sectors are reluctant to use the product for a variety of reasons like quality, limited supply, etc *(Source: CARE Report)*. Our manufacturing facilities use the French process to produce various grades of zinc oxide, and modern pulse jet bag filters and combustion systems at all our manufacturing facilities.

A brief and basic flow chart setting out an overview of our manufacturing process is below:



Upon receipt of raw materials at our facilities and completion of weighment, inspection, sampling and testing, the raw material is put in the furnace. The metallic zinc is melted in silicon carbide / graphite bonded crucibles vapor inside the furnace and then it reacts with the oxygen in the air through the blower and pulse air jet bag filter to produce zinc oxide. Upon production of the zinc oxide, the same is sent for inspection, testing and sampling before packaging the same and storage, prior to dispatch to customers.

Pricing and procurement of Raw Materials

The primary raw materials used in the manufacture of our products are virgin zinc metal and Zinc Dross/ scrap. For the six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, cost of raw materials consumed represented 78.63%, 81.26%, 78.44% and 83.34%, respectively, of our total income. We procure our raw materials from our suppliers by either entering into contracts on a quarterly or yearly basis or on spot basis by issuing purchase orders. We also participate in online auctions for purchase of our raw materials. In addition to procuring Zinc Dross from domestic steel galvanizers, we also import Zinc Dross/ scrap raw material from offshore locations such as Vietnam, Latvia, Portugal, Oman, U.A.E., U.S.A., Europe and Thailand, mostly on spot basis, such that our imports are not concentrated in any particular region. The terms and production volumes of our raw materials supplies are negotiated at the time of issuance of purchase order and the pricing is either determined on a spot basis or linked to a formula.

We primarily procure zinc metal as our raw material from various domestic and global entities. The price of procuring zinc metal and Zinc Dross is arrived at on the basis of the price of zinc being traded on the LME.

Our raw materials are primarily transported by the road and sea. 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.

Our finished products are stored on – site at our manufacturing facilities or in our warehouses. We use Tally software to plan our inventory based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity along with feedback from our sales and marketing teams and regular interaction with our teams at the manufacturing facilities. However, we always strive to maintain a reasonable amount of raw materials across all our facilities always, which enables us to blend different compositions of Zinc Dross to produce the required grade of zinc oxide and supply the same as per the specifications provided by the customers.

Circular Economy: Essential for Sustainable Growth (Source: Material Recycling Association of India)

The Circular Economy has the aim to radically limit the extraction of raw materials and the production of waste. It does this by recovering and reusing as many of the products and materials as possible. The Circular Economy is a “make/remake — use/reuse” economy

Scope of Metal Recycling in India: Emphasis on Zinc recycling:

Product	Primary Sector		Secondary Sector	
	Energy Consumption	Carbon Footprint	Energy Consumption	Carbon Footprint
Aluminium	210 - 220 mj/kg	12 kg	26 mj/kg	2.1 kg
Copper	57 - 63 mj/kg	3.7 kg	12.9 -14.3 mj/kg	1.07 kg
Stainless Steel	81 - 88 mj/kg	5 kg	11 – 13 mj/kg	0.73 kg
Lead	27 mj/kg	2 kg	7.5 mj/kg	0.45 kg
Nickel	173 - 190 mj/kg	11.5 kg	30 – 36 mj/kg	2 kg
Zinc	**43 mj/kg**	**3.3 kg**	**10.5 – 11.8 mj/kg**	**0.58 kg**

In case of Zinc, the secondary Zinc sector reduces 73% approximately the Energy Consumption and 82% approximately the Carbon Footprint in comparison to the Primary Zinc sector emphasising the fact that “Recycling” is the need of the hour

In Zinc Oxide manufacturing, studies have shown that a reduction in both energy and CO2 footprint of approximately 4% is possible when 70% of recycled Zinc is used along with 30% primary Zinc and this reduction reaches 12% when 100% of recycled Zinc is used.

Using recycled metal instead of finite virgin ores contributes to cut down CO2 emission, air pollution (by 80%), water pollution (by 76%) and reduces water use (by 40%) for every unit of Zinc Oxide produced.

Customers

We sell over 80 grades of zinc oxide in domestic as well as international market and have a wide customer base in the field of rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed. Over the last three years, we marketed and sold our products to over 50 global customers in more than 10 countries and to over 200 domestic customers.

We have over the years, built strong relationships with our customers, who recognise our technical capabilities and timely deliveries and associate our Company with good and consistent quality products. Various of our customers have conferred the status of preferred supplier on us, which leads to an increase in order volumes. Our top 10 customers in the end-use industries we cater to, contributed ₹ 3,177.58 million, ₹ 4,634.99 million, ₹ 3,337.20 million and ₹ 3,136.39 million resulting to 74.76%, 75.63%, 76.67% and 78.53% of our revenue from operations for the six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, respectively.

Quality Control and Assurance

We believe that maintaining a high standard of quality of our products and adhering to client specifications is critical for continued growth. Across our manufacturing facility, we have implemented statistical process control and quality assurance techniques to ensure consistent quality, efficacy and safety of the products.

As part of our quality control process, we monitor all stages of manufacturing process. We have implemented checks and testing systems, from the procurement of raw materials to the manufactured product, to ensure the quality of our products and to ensure that the products that we manufacture do not deviate from our customers' specifications. In addition to our in-house quality testing of our products, certain customers conduct periodic quality audits of our manufacturing facility to verify and ascertain effective implementation of quality management systems. Further, through regular internal audits, we ensure that our manufacturing facility is in compliance with regulatory requirements. Our quality control process has resulted in certifications and approvals such as ISO - 9001:2015, ISO - 14001:2015 and ISO - 45001: 2018 certifications. Further, our Material Subsidiary, is the only zinc oxide manufacturing facility in India to have an IATF certification, which certifies that we have established and applied a quality management system for the manufacturing of zinc oxide powder. In order to supply our products to our customers in the European Union, we also maintain the REACH registration as we are non-EU entity. We have also been recognised as 'One Star Export House' by the Director General of Foreign Trade, Ministry of Commerce & Industry for a period of five years, from 2018 to 2023.

Logistics

We rely on third party transportation and logistics providers for procurement of our raw materials and supply of our products to our customers. We incur transportation costs for delivery of our raw materials and other inputs to our manufacturing facilities. We do not have long-term contractual arrangements with such third-party transportation and logistics providers. For risks relating to the dependence on third-party transportation service providers, please see section titled *"Risk Factors- We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition."* on page 35. We have a dedicated customer support logistics team which tracks the vehicles despatched by the manufacturing facilities and provides prompt technical services and inputs to the customers regarding the material delivery status.

Generally, our suppliers deliver our raw materials directly to our manufacturing facilities. The raw materials stored at ports (at third party-warehouses) are dispatched to manufacturing locations, as per requirement of the production plans at each manufacturing facility. We generally sell our products on a cost, insurance and freight basis. In these arrangements, we are responsible for shipping the products to the customer, and our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures.

Marketing and sales

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and ensuring timely delivery. We believe consistent interaction with our customers to understand their needs helps us in retaining connect and collaborating in developing new products. Our sales and marketing activities for our products are carried out by our sales and marketing personnel, who are responsible for business development, acquisition of new clients and is instrumental in identifying and initiate dialogue to develop customer interest. Further, our Promoters, have been instrumental in our Company's growth and development by taking personal interest in customer development activities and interacting with key customers directly. As on October 31, 2022, we have a marketing and sales team of 9 (nine) personnel.

Our marketing and sales team maintains regular contacts with customers, carries out yearly / bi-annually customer feedback surveys and monitors monthly reviews and market research reports of customers monthly performance in our business. Our Company services its domestic and export customers through its marketing and sales team in India. As part of our marketing initiatives, we participate in various trade shows such as Indian Rubber Expo, Ceramics Expo and International Zinc Conference and advertise in various magazines and trade shows.

Information Technology

We rely on information technology infrastructure in order to maintain consistency in production chain and safeguard our operations. We have implemented Tally software, pursuant to which various financial, analytical and MIS reports are generated. Further, this system also enables us to track timely procurement of raw materials, payment to vendors and contract suppliers, and receivables from customers.

Competition

We operate in a competitive business, both in India and overseas. We try to remain competitive by seeking to understand the markets in which we operate in better and identify emerging opportunities. We believe that our consistent tracking of markets, developing new products and our consistent interaction with our customers is a key to our competitiveness and these factors inter alia enable us to anticipate the needs of our customers. Further, some of the end-use industries in which we operate are not easy to break-into due to high entry barriers such as stringent vendor approval process and long gestation period to be enlisted as a supplier with the customers due to long approval timeframes. For further details on our competition, please see section titled "*Industry Overview*" on page 127.

Environment, Health and Safety

Our activities are subject to various environmental laws and regulations in India, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. For further details, please see section titled "*Key Regulations and Policies in India*" on page 190. For further details, please see section titled "*Government and Other Approvals*" on page 328.

We strive to ensure that we do not discharge any harmful elements from our manufacturing operations. We have been granted the consent and hazardous waste authorisation order under the 'Orange Category' for generation, collection, storge, transport, reuse, recycling, utilisation, processing and treatment or any other use of hazardous or wastes and permissible quantity of emissions per hour at all our manufacturing facilities, by the respective state pollution control boards. We have also installed recuperators in most of the furnaces, which utilizes the flue gas, i.e. the waste heat produced during melting of zinc and inserts it back into the furnace, acting as an energy heat exchanger thereby reducing energy costs as well as reducing carbon foot-print by consuming lesser energy.

Insurance

Our operations are subject to risks inherent to manufacturing operations. In order to manage the risk of losses from potentially harmful events, we maintain insurance policies such as fire policy, anti-burglary policy, group personal accident policy, marine cargo policy, workmen compensation policy, commercial general liability, management plus liability insurance policy and director and officer's insurance policy. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers all our manufacturing facilities, stocks at facilities and offices.

As of six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, we carried an insurance coverage of ₹ 1,628.01 million, ₹ 1,396.68 million, ₹ 1,005.23 million and ₹ 910.50 million, respectively with coverage ratio of 1.55, 1.18, 1.41 and 1.38 times, respectively of the net assets of our Company.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurances. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For further details, please see section titled "*Risk Factors – Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations."* on page 52.

Employees

Our employees contribute significantly to our business operations. As on October 31, 2022, we had 105 permanent employees along with over 100 workmen (labour) and trainees. Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce are critical in strengthening our competitive position. Our employees are not unionized into any labour or workers' union and we have not experienced any major work stoppages due to labour disputes or cessation of work, historically.

Our employees, attrition rate has historically been low and for six months period ended September 30, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020 our attrition rate was 14.66%, 21.48%, 12.03% and 15.12%, respectively. A break-up of our permanent employees by function, as on October 31, 2022, across our manufacturing facilities is set out below:

Function	Number of employees
Accounts and Finance	20
Human Resources	2
Quality Assurance	5
Business Development including Sales and marketing	9
Plant Operations	49
Project Management	1
Purchase	6
Compliance and Secretarial	1
Administration	11
Logistics	1

In addition, we contract with third-party manpower and services firms for the supply of contract worker (semi-skilled or unskilled) for certain services at our manufacturing facilities. As on October 31, 2022, we had 49 contract workers.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, we have made an application to register the name of our Company and our subsidiary, BDJ Oxides under Class 2 in terms of The Trademarks Act, 1999. We have registered the domain name www.jgchem.com, which is renewable periodically.

We also rely on a combination of trade secret, and contractual restrictions to protect our intellectual property. We do not own any patents. We have agreements with our employees and consultants which include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments, as applicable. For further details, please see section titled "*Risk Factors – Our name and logo are not registered as a trademark. If we are unable to protect our intellectual property rights, our business, financial condition and results of operations may be adversely affected*." on page 40.

Corporate Social Responsibility

We have constituted a CSR committee of our Board of Directors and have adopted and also formulated a CSR policy, pursuant to which we carry out our CSR activities. As part of our CSR initiatives and in terms of our CSR Policy, we engage in disaster management projects, healthcare, promoting education, eradicating hunger, animal welfare and rural development initiatives. We have, in the past, focused on promoting education including contribution for construction of school infrastructure and providing food items and sanitizers, masks and surgical gloves during the COVID-19 lockdown. Our CSR expenditure aggregated to Nil, ₹ 6.07 million, ₹ 5.90 million, and ₹ 7.43 million for the six months period ended September 30, 2022 and Fiscal 2022, 2021 and 2020, respectively. For further details, please see section titled "*Restated Consolidated Financial Information*" on page 235.

Properties

Our Registered Office is located at 34A, Metcalfe Street, Kolkata - 700 013.

The following table sets forth details of our properties as of the date of this Draft Red Herring Prospectus.

Location	Primary Purpose	Leased/Owned
Room No. 3F, 3rd Floor, 34A, Metcalfe Street, Kolkata - 700 013	Registered Office	Leased

Location	Primary Purpose	Leased/Owned
189, Girish Ghosh Road, Within the Limit of Howrah Municipal Corporation, Belur Math, P.S.: Bally, Dist.: Howrah, Pin Code - 711 401	Manufacturing Plant *(Belur Facility)*	Owned
L.R. Dag no. 3749, Mouza Biprannapara, J.L. No. 27, P.S.: Domjur, Dist.: Howrah Pin-711 411 West Bengal	Manufacturing Plant *(Jangalpur Facility)*	Owned
L.R. Dag no. 3820-3821, 4121-4122, Mouza Biprannapara, J.L. No. 27, P.S.: Domjur, Dist.: Howrah -711 411 West Bengal	Manufacturing Plant *(Jangalpur Facility)*	Owned
L.R. Dag no. 3746-3749, 4121-4122, 4184-4185, Mouza Biprannapara, J.L. No. 27, P.S.: Domjur, Dist.: Howrah -711 411 West Bengal	Manufacturing Plant *(Jangalpur Facility)*	Owned
Plot No. 10, APIIC Industrial Park, Attivaram (V), Mondal Ozili (M), SPSR Nellore District, Andhra Pradesh 524 421	Manufacturing Plant *(Naidupeta Facility)*	Owned
Plot No. 15 & 16, APIIC Industrial Park, Attivaram (V), Mondal Ozili (M), SPSR Nellore District, Andhra Pradesh 524 421	Manufacturing Plant *(Naidupeta Facility)*	Leased
Plot No. 17 & 18, APIIC Industrial Park, Attivaram (V), Mondal Ozili (M), SPSR Nellore District, Andhra Pradesh 524 421	Manufacturing Plant *(Naidupeta Facility)*	Owned
34A, Metcalfe Street, Jain Centre, Unit 1C, 1st Floor, Kolkata - 700 013	Office Space	Leased
34A, Metcalfe Street, Jain Centre, Flat No.4F, 4th Floor, Kolkata - 700 013	Office Space	Leased
1510, "Adventz Infinity @5", 15th Floor, Plot No.5, Block BN, Sector - V, Salt Lake Electronic Complex, P.S. Electronics Complex, Bidhan Nagar, Kolkata - 700 091	Office Space	Leased
1511, "Adventz Infinity @5", 15th Floor, Plot No.5, Block BN, Sector - V, Salt Lake Electronic Complex, P.S. Electronics Complex, Bidhan Nagar, Kolkata - 700 091	Office Space	Leased
Room No. 3E, 3rd Floor, 34A, Metcalfe Street, Kolkata – 700 013	Office Space	Leased
Unit no 3D, 3rd Floor, Akash Tower, 781 Anandapur, Kolkata – 700 107	Office Space	Sub-Leased
"Amta Industrial Park", Mouza Majukshetra, J. L. No. 77, P.S.: Jagatballabpur, District: Howrah- 711 401	Warehouse Space	Leased
Gala no. 9 to 15 of Warehouse No. A 8, Survey/ Hissa No. S.no. 11/5, 11/6/A, 12/3, 12/4 and 12/5/2, Paramount Complex, Lonad Village, Mumbai Nashik Highway, Bhiwandi, Thane, Maharashtra-421 302	Warehouse Space	Leased
Emirates Logistics India Private Limited, Shankrail Industrial Park – Besides Exide Battery Warehouse, Mouza – Kanduah, P.O. Shankrail – Howrah, Howrah, West Bengal, 711 302	Warehouse Space	Sub-Leased

For risks related to our leased properties, please see section titled "*Risk Factors- A part of our manufacturing facility and our registered office premises, are being utilised by us on leasehold basis and we are subject to terms and conditions imposed on us by the lessor. In any event we are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected.*" on page 36.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key statutes, bills, regulations, notifications, memorandums, circulars and policies which are applicable to our business. The tax related statutes and applicable shops and establishment statutes, labour laws and other miscellaneous regulations and statutes apply to us as they do to any other Indian company.

The information detailed in this chapter, is based on the current provisions of key statutes, bills, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. The description of laws and regulations as set out below is not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of government approvals obtained by us in compliance with these regulations, please see section titled "Government and Other Approvals" on page 328.

Key Legislations Applicable to Our Business

The Factories Act, 1948 ("Factories Act")

The Factories Act defines a "factory" to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offer protection to the exploited workers and improve their working conditions. The penalties for contravention of the Factories Act include fine and imprisonment for the 'occupier' or 'manager' as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology 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 and formatter's incidental thereto. The Legal Metrology Act, inter alia, provides for: (a) regulation of weight or measure used in transaction or for protection; (b) approval of model of weight or measure; (c) verification of prescribed weight or measure by Government approved Test Centre; (d) exempting regulation of weight or measure or other goods meant for export; (e) nomination of a person by the companies who will be responsible for complying with the provisions of the enactment; and (f) empowering the Central Government to make rules for enforcing the provisions of the enactment. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("**MSME**"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated 01st June, 2020 revising definition and criterion and the same came into effect from 01st July, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

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. Petroleum may be any liquid, hydrocarbon, or mixture of hydrocarbons, and inflammable mixture (liquid, viscous or solid) containing any hydrocarbon, and includes natural gas and refinery gas. 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 Central Government, may from time to time, declare by rules and notifications, places where petroleum may be imported, the periods within which license shall be applied for, regulations relating to transport of petroleum, nature and conditions in which they may be stored etc. The Petroleum Rules seek to regulate the delivery and dispatch of petroleum and the importation of petroleum through licenses. Under the Petroleum Rules, no person is permitted to deliver or dispatch any petroleum to anyone in India other than the holder of a storage license issued under the Petroleum Rules or his authorized agent or a port authority or railway administration or a person who is authorized under the Petroleum Act to store petroleum without a license. The Petroleum Rules, inter alia, prohibit the employment of children under the age of eighteen years and a person who is in a state of intoxication.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA") and the Foreign Trade (Regulation) Rules, 1993 and the Foreign Trade Policy, 2015-20

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto.

As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; and (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette.

The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till March 31, 2023) 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 attractpenalty under the FTA.

The Drugs and Cosmetics Act, 1940 ("Drugs Act") and the Drugs and Cosmetics Rules, 1945 ("Drugs Rules")

The Drugs Act regulates the import, manufacture, distribution and sale of drugs and prohibits the manufacture and sale of drugs which are misbranded, adulterated or spurious. The Drugs Act and the Drugs Rules specify the conditions for grant of a license for the manufacture, sale, import or distribution of any drug or cosmetic and regulation of operation of blood banks. It 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. Violation of certain provisions of the Drugs Act, including those pertaining to the manufacturing and import of spurious drugs, non-disclosure of specified information and a failure to keep the required documents, are punishable with a fine, or imprisonment or both.

The Drugs (Prices Control) Order, 2013 ("DPCO")

Formulated pursuant to the Essential Commodities Act, 1955, the DPCO, among others, sets out procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drugs for existing manufacturers of scheduled formulations, method of implementation of prices fixed by government and penalties for contravention of its provisions. The DPCO also authorizes the government to prescribe a ceiling price for formulations listed in the National List of Essential Medicines, 2015 published by the Ministry of Health and Family Welfare and modified from time to time. Further, where an existing manufacturer of a drug with dosages and strengths as specified in the National List of Essential Medicines, 2015 launches a new drug, it must seek prior price approval of such drug from the government. The National Pharmaceutical Pricing Authority vide Notification dated March 31, 2020 in pursuance of Notification No. SO 648(E), dated February 11, 2020, stated that all medical devices shall be governed under the provisions of the Drugs (Prices Control) Order, 2013 (DPCO, 2013) with effect from April 1, 2020.

Fire Prevention Laws

The state legislatures in India have enacted laws regulating public order and police, which provide, inter alia, for the registration of chemical manufacturing facilities and obtaining a 'no objection certificate' for operating such manufacturing facilities, from the licensing authority, along with prescribing penalties for non-compliance. The state legislatures have also enacted legislations for fire control and safety including the West Bengal Fire Service Act, 1950, the Andhra Pradesh Fire Service Act, 1999 and the Andhra Pradesh Fire and Emergency Operations and Levy of Fee Rules, 2006 which are applicable to our manufacturing facilities established in the states of West Bengal and Andhra Pradesh. The legislations include provisions in relation to provision of fire safety and life saving measures including maintenance of a fire brigade, by occupiers of buildings, licensing provisions and penalties and/or suspension or cancellation of license for non-compliance.

The Customs Act, 1962 ("Customs Act")

The provisions of the Customs Act apply at the time of import or export of goods. Under the Customs Act, the Central Board of Excise and Customs ("**CBEC**") is empowered to appoint, by notification, inter alia, ports or airports as customs ports or customs airports and places as the Inland Container Depot. Any person requiring to import or export any goods is required to get itself registered under the Customs Act and obtain an Importer Exporter Code number. The Customs Act among others, also permits the exporter to self-seal the export goods and export them from all custom stations /ports across the country.

Environmental Legislations

The Environment (Protection) Act, 1986 ("EPA"), Environment Protection Rules, 1986 (the "EP Rules") and the Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The EPA has been enacted for the protection and improvement of the environment. EPA 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 frameworkfor Central Government to coordinate the activities of various central and state authorities established under previous laws. Itis also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessaryrules and regulations.

The EPA is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

Further, the EP Rules specifies, *inter alia*, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are requiredto 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 by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewageor causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of 4 months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “*hazardous waste*” has been defined in the Hazardous Waste Rules and any person who has, controlover 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 relevantstate pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Public Liability Insurance Act, 1991 (“PLI Act”) and the Public Liability Insurance Rules, 1991

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The Rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

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 *interalia* include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the eventof 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 has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority.

Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

Labour Related Legislations

In addition to the aforementioned material legislations which are applicable to our Company, other labour related legislations that may be applicable to the operations of our Company include:

- Contract Labour (Regulation and Abolition) Act, 1970;
- West Bengal State Tax on Professions, Trade & Callings and Employment Act , 1979
- Child Labour (Prohibition and Regulation) Act, 1986;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Employee's Compensation Act, 1923;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013
- Apprentices Act, 1961;
- Industrial Disputes Act,1947 and the Industrial Disputes (Central) Rules,1957;
- Employee's Compensation Act, 1923;
- The Maternity Benefit Act, 1961;
- The Interstate Migrant Workmen Act, 1979;
- Industrial Employment (Standing Orders) Act, 1946; and

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(i) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposesto subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government. It consolidates and amends laws relating to trade unions,the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes.

(ii) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume fourexisting laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2),42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986) of the Code on Wages, 2019.

(iii) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. It replaces 13 old central labour laws.

(iv) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing social security related legislations including the Employee's Compensation Act, 1923, the Employees' State InsuranceAct, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provision concerning application of Aadhaar has already been notified by the Central Government. It governs the constitution and functioning of social security organisations such as the Employee's ProvidentFund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees maysuffer, among others.

The West Bengal Shops and Establishments Act, 1963 ("Shops and Establishments Act")

Under the provisions of the Shops and Establishments Act, applicable in the state of West Bengal, establishments are required to be registered. The Shops and Establishments Act regulates the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the Shops and Establishments Act.

Intellectual Property Laws

The Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as device, brand, heading, label, ticket, name, signature, word, letter, numeral, or combination of colors or any combination thereof, and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of trademarks on grounds of being, inter alia, deceptively similar to other marks or being devoid of any distinctive character.

The Copyright Act, 1957 ("Copyrights Act")

The Copyrights Act 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 Copyrights Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyrights Act prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

The Patents Act, 1970 ("Patents Act")

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights and recognizes both product as well as process patents. The Patents Act provides for, inter alia, the following:

- patent protection period of 20 years from the date of filing the patent application;
- recognition of product patents in respect of food, medicine and drugs;
- import of patented products will not be considered as an infringement; and
- under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

Miscellaneous Laws

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the consolidated FDI policy ("**FDI Policy**") effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("**DPIIT Policy**"),each as amended. The FDI Policy consolidates all the press notes, press releases, and clarifications on FDI issued by DPIIT. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reportingof Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. Under the FDI Policy, 100% foreign direct investment under the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in the manufacturing sector. The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company.

Shops and Establishments Legislations

Under the provisions of the local shops and establishments legislations applicable in the states in which such establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and the employees. Our offices have to be registered under the shops and establishments legislations of the states where they are located.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, 2013 and rules framed thereunder, 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.

As per notice dated June 28, 2017, by the Ministry of Finance, with effect from July 1, 2017, goods and services tax laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) are applicable to our Company.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was initially formed as a partnership firm on March 15, 1975 under the name "J.G.Chemicals" at West Bengal as a partnership at will which was registered under the Indian Partnership Act, 1932 with the Registrar of Firms, West Bengal in 1983**.** Subsequently, the partnership firm was converted into a joint stock company and was registered as a private limited company in the name and style "J.G.Chemicals Private Limited" pursuant to a certificate of incorporation dated June 28, 2001, issued by RoC, in accordance with provisions of the Companies Act, 1956. Thereafter, pursuant to a resolution passed at the meeting of the Board of Directors held on March 16, 2022, and a special resolution of the Shareholders at the EGM held on April 30, 2022, the name of our Company was changed to J.G.Chemicals Limited, pursuant to its conversion into a public limited company. A fresh certificate of incorporation dated May 24, 2022, consequent upon conversion, was issued by the RoC.

Changes in the Registered Office of our Company

The registered office of our Company is situated at 34A Metcalfe Street, Kolkata - 700 013, West Bengal, India.

As on the date of this Draft Red Herring Prospectus, there has been no change in the registered office of our Company since its incorporation.

Main objects of our Company

The main objects contained in the Memorandum of Association are set forth below:

1. *"To become vested with, adopt and continue the partnership firm now being carried on under the name and style of J. G. Chemicals (which is a partnership business carried on by the signatories to the Memorandum and Articles of association of the present Company) as a going concern w.e.f 01.04.2001 including all the Assets, moveable and immoveable, rights, benefits, quotas, licenses, liabilities and obligations and rights and liabilities of the parties hereto in the said partnership firm and in connection therewith together with the Assets and Properties, Factory Shed and building, Office rooms, including and any other erections, Plant and Machinery, Furniture and Fixture, described in the Schedule attached hereto, with a view thereto enter into any agreement or contract and to carry the same into effect with or without modifications as may be necessary.*

2. *To carry on the Business of Manufacturing of all kinds of Industrial Chemicals, and dealing in various kinds of Minerals, Chemicals, Yarns, and to act as Commission Agents."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus.

Date of Shareholders' resolution/ Effective Date	Nature of Amendment
April 30, 2022	Clause I of the MoA was amended to reflect the change in the name of our Company from 'J.G.Chemicals Private Limited' to 'J.G.Chemicals Limited' pursuant to the conversion of our Company from a private limited company to a public limited company.
	The heading of the Clause III(A) was altered to "*The Objects to be pursued by the Company on its Incorporation are*"
	The existing clause no. 1 to 24 under the head "*Objects incidental or ancillary to attainment of the Main Objects*" and the existing clause no. 1 to 12 under the head "*Other Objects for which the Company is established*" are replaced by

Date of Shareholders' resolution/ Effective Date	Nature of Amendment
	Clause no. 1 to 36 under the head "*Matters which are necessary for furtherance of the Object specified in clause III(A) are*".
	Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company from ₹ 15,000,000 divided into 1,500,000 Equity Shares of ₹ 10 each to ₹ 370,000,000 divided into 37,000,000 Equity Shares of ₹ 10 each.

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Fiscal Year	Major events and milestones
2001	Conversion of our partnership firm into a private limited company.
	Commencement of operations at Belur Facility
2004	Commencement of operations at Jangalpur Facility
2016	Commencement of operations at Naidupeta Facility
2022	Achieved ₹ 6,000 million in consolidated turnover.

Awards, accreditations and accolades received by our Company and/or its Material Subsidiary

Our Company and/or its Material Subsidiary has received the following awards, accreditation and recognition

Calendar Year	Awards/Accreditations
2018	Recognised as a "One Star Export House" by DGFT, Ministry of Commerce and Industry, India
	Obtained ISO 14001: 2015 certifications for environment management system at the Registered Office, Belur Facility and Jangalpur Facility.
	Obtained ISO 9001: 2015 certifications for quality management system at the Registered Office, Belur Facility and Jangalpur Facility.
2020	Obtained ISO 45001: 2018 certifications for occupational health and safety management system at the Registered Office, Belur Facility and Jangalpur Facility.
2021	Obtained ISO 14001: 2015 certifications for environment management system at the Naidupeta Facility.
	Obtained ISO 45001: 2018 certifications for occupational health and safety management system at the Naidupeta Facility.
	Obtained ISO 9001: 2015 certifications for quality management system at the Naidupeta Facility.
	Apollo Gold Partner Award- Quality Champion by Apollo Tyres Limited
2022	Obtained IATF 16949 certificate for manufacture of zinc oxide powder at Naidupeta Facility

For details of awards, accreditations and accolades received by our Company and its Material Subsidiary, please see section titled "*Our Business*" on page 172.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation and location of plants

For information on key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, please see the section titled "*Our Business*" on page 172.

Defaults or rescheduling, restructuring of borrowings with financial institutions / banks

There have been no defaults or rescheduling/re-structuring of our Company's current borrowings with financial institutions / banks. For further details of our financing arrangements, please see the section titled "*Financial Indebtedness*" on page 322.

Time and cost overruns

There have been no instances of time or cost over-runs in respect of any projects including setting up of any of the manufacturing units of our Company.

Revaluation of assets in the last 10 years

Our Company has not undertaken any revaluation of its assets in the last 10 (ten) years preceding the date of this Draft Red Herring Prospectus.

Significant Strategic or financial partners

Our Company does not have any significant strategic or financial partners as on the date of this Draft Red Herring Prospectus.

Lock-out and strikes

There have been no lock-outs or strikes at any time of the offices of our Company

Injunction or restraining orders

Our Company is not operating under any injunction or restraining order.

Details regarding material acquisitions or divestments of business or undertakings, mergers or amalgamation in the last 10 years

Our Company has not made any material acquisitions or divestments of any business or undertaking and has not undertaken any mergers or amalgamations in the last 10 years.

Shareholders' agreements

As on the date of this Draft Red Herring prospectus, there are no subsisting shareholder's agreements among our shareholders *vis-à-vis* our Company.

Other material agreements

Our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company immediately preceding the date of this Draft Red Herring Prospectus.

Agreements with Key Managerial Personnel, Promoters, Directors, or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by a Key Managerial Personnel or Promoters or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by the Promoters participating in the Offer for Sale

None of our Promoters are participating in the Offer for Sale.

Our Holding Company, Associate Companies and Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company, associate company and joint ventures.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries namely BDJ Oxides Private Limited and BDJ Speciality Chemicals Private Limited. For further details, please see section titled "*Our Subsidiaries*" on page 201.

OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries, namely, BDJ Oxides Private Limited and BDJ Speciality Chemicals Private Limited.

Set out below are details of our Subsidiaries:

1. BDJ Oxides Private Limited ("BDJ Oxides")

Corporate Information

BDJ Oxides was incorporated as a private limited company, under the Companies Act, 1956, pursuant to certificate of incorporation dated November 10, 2010 issued by the Registrar of Companies, West Bengal. The CIN of BDJ Oxides is U24100WB2010PTC154602 and its registered office is situated at 34A, Metcalfe Street, 1st Floor, Flat No.1C, Kolkata – 700 013, India.

Nature of Business

BDJ Oxides is currently engaged in the business of manufacturing Zinc Oxide and its allied products.

Capital Structure

The capital structure of BDJ Oxides as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Aggregate nominal value (in ₹)
Authorised share capital	
500,000 equity shares of face value ₹ 10 each	5,000,000
Issued, subscribed and paid-up share capital	
265,600 equity shares of face value ₹ 10 each	2,656,000

Shareholding Pattern

The shareholding pattern of BDJ Oxides as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of total capital (%)
1.	J.G.Chemicals Limited	250,000	94.13
2.	Suresh Jhunjhunwala	1,700	0.64
3.	Anuj Jhunjhunwala	1,360	0.51
4.	Anirudh Jhunjhunwala	5,400	2.03
5.	Aakriti Jhunjhunwala	3,740	1.41
6.	Shilpa Jhunjhunwala	3,400	1.28
Total		**265,600**	**100.00**

2. BDJ Speciality Chemicals Private Limited ("BDJ Speciality Chemicals")#

Corporate Information

BDJ Speciality Chemicals was incorporated as a private limited company, under the Companies Act, 2013, pursuant to certificate of incorporation dated November 29, 2019 issued by the Registrar of Companies, West Bengal. The CIN of BDJ Speciality Chemicals is U24230WB2019PTC235020 and its registered office is situated at 34A, Metcalfe Street, 1st Floor, Flat No.1C, Kolkata – 700 013, India.

Nature of Business

BDJ Speciality Chemicals is currently not engaged in any business activity.

Capital Structure

The capital structure of BDJ Speciality Chemicals as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Aggregate nominal value (in ₹)
Authorised share capital	
2,000,000 equity shares of face value ₹ 10 each	20,000,000
Issued, subscribed and paid-up share capital	
1,750,000 equity shares of face value ₹ 10 each	17,500,000

Shareholding Pattern

The shareholding pattern of BDJ Speciality Chemicals as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares of face value ₹ 10 each	Percentage of total capital (%)
1.	J.G.Chemicals Limited	1,740,000	99.43
2.	Anirudh Jhunjhunwala	5,000	0.29
3.	Anuj Jhunjhunwala	5,000	0.29
Total		**1,750,000**	**100.00**

*#BDJ Speciality Chemicals pursuant to its board resolution dated November 29, 2021 has sanctioned the scheme of amalgamation of Alkan Fiscal Services Private Limited, BDJ Chemicals Private Limited, BDJ Speciality Chemicals, Eshwar Fiscal Services Private Limited, Prestige Towers Private Limited, Swarnim Complex Private Limited with Vision Projects & Finvest Private Limited under section 230 to 232 of the Companies Act (“**Scheme**”) and subsequently, an application dated May 02, 2022, has been filed before the National Company Law Tribunal, Kolkata Bench (“**NCLT**”) and the scheme has been admitted by the NCLT. Currently, the matter is pending for hearing.*

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 in the Restated Consolidated Financial Information.

Interest in our Company

Except as disclosed in “*Our Business*”, “*History and Other Corporate Matters*”, and “*Restated Consolidated Financial Information*” on pages 172, 197 and 235, respectively, none of our Subsidiaries have any business interest in our Company.

Common Pursuits

Our Subsidiary BDJ Oxides Private Limited is engaged in the same line of business as that of our Company, thereby resulting in certain common pursuits amongst our Subsidiary and our Company. However, there is no conflict of interest amongst our Subsidiary and our Company as our Subsidiary is controlled by us. We shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise.

Other confirmations

None of our Subsidiaries have their securities listed on any stock exchange in India or abroad. Further, none of our Subsidiaries have been refused listing of their securities by any stock exchange in India or abroad.

OUR MANAGEMENT

BOARD OF DIRECTORS

In terms of the Companies Act and Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises 6 (six) Directors of which 3 (three) are Executive Directors, 3 (three) are Independent Directors. The Board includes 1 (one) woman Independent Director. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, date of birth, designation, address, occupation, nationality, current term, period of directorship and DIN	Age (Years)	Other directorships
1.	**Suresh Jhunjhunwala** ***Date of Birth:*** February 02, 1953 ***Designation***: Executive Chairman and Wholetime Director ***Address***: 12, Murlidhar Sen Lane, Colootola, Chittaranjan Avenue, S.O., Kolkata- 700073, West Bengal ***Occupation***: Business ***Current Term***: For a period of three years with effect from May 16, 2022 ***Period of Directorship:*** Since June 28, 2001 ***DIN***: 00234725	69	• BDJ Chemicals Private Limited • Eeshwar Fiscal Services Private Limited • Vision Projects & Finvest Private Limited • Lachhmangarh Fort Private Limited • Crystal Towers Private Limited • Shreeji Merchants Private Limited
2.	**Anirudh Jhunjhunwala** ***Date of Birth:*** February 22, 1979 ***Designation***: Managing Director and Chief Executive Officer ***Address***: 12, Murlidhar Sen Lane, Colootola, Chittaranjan Avenue, S.O., Kolkata- 700 073, West Bengal ***Occupation***: Business ***Current Term***: For a period of three years with effect from April 1, 2021* ***Period of Directorship:*** Since June 28, 2001 ***DIN***: 00234879 ** Designation of Anirudh Jhunjhunwala has been changed from Joint Managing Director to Managing Director with effect from May 16, 2022.*	43	• Vision Projects & Private Limited • Alkan Fiscal Services Private Limited • Eeshwar Fiscal Services Private Limited • Prestige Towers Private Limited • Afford Tie-Up Private Limited • BDJ Chemicals Private Limited • Shreeji Merchants Private Limited • BDJ Impex Private Limited • BDJ Oxides Private Limited • Swarnim Complex Private Limited • Abhinandan Towers Private Limited • Goodnews Media Private Limited • BDJ Speciality Chemicals Private Limited • Material Recycling Association of India

Sr. No.	Name, date of birth, designation, address, occupation, nationality, current term, period of directorship and DIN	Age (Years)	Other directorships
3.	**Anuj Jhunjhunwala** ***Date of Birth:*** October 21, 1983 ***Designation***: Whole-time Director and Chief Financial Officer ***Address***: 12, Murlidhar Sen Lane, Colootola, Chittaranjan Avenue, S.O., Kolkata- 700073, West Bengal ***Occupation***: Business ***Current Term***: For a period of three years with effect from May 16, 2022 ***Period of Directorship:*** Since March 07, 2022 ***DIN***: 00234926	39	• BDJ Speciality Chemicals Private Limited • BDJ Oxides Private Limited • Crystal Towers Private Limited • Shreeji Merchants Private Limited • BDJ Impex Private Limited • Prestige Towers Private Limited • Afford Tie-Up Private Limited
4.	**Ashok Bhandari** ***Date of Birth:*** February 02, 1953 ***Designation***: Independent Director ***Address***: 19B, Mandeville Gardens, Ballygunge, Kolkata, West Bengal- 700 019 ***Occupation***: Professional ***Current Term***: For a period of two years with effect from June 30, 2022 ***Period of Directorship:*** Since June 30, 2022 ***DIN***: 00012210	69	• Rupa & Company Limited • Maithan Alloys Limited • Skipper Limited • IFB Industries Limited • N.B.I. Industrial Finance Limited • Maharashtra Seamless Limited • Ragini Finance Private Limited • Shree Capital Services Limited • Digvijay Finlease Limited • Vehere Interactive Private Limited • Shreecap Holdings Private Limited • BDJ Oxides Private Limited
5.	**Sukanta Nag** ***Date of Birth:*** December 2, 1959 ***Designation***: Independent Director ***Address***: Flat No. 6A, Block 6, Avani Oxford Phase 1, 136, Jessore road, near Laketown Swimming Pool, Laketown Bangur Avenue, North 24 Parganas, West Bengal- 700 055 ***Occupation***: Professional ***Current Term***: For a period of two years	63	Nil

Sr. No.	Name, date of birth, designation, address, occupation, nationality, current term, period of directorship and DIN	Age (Years)	Other directorships
	with effect from June 30, 2022 ***Period of Directorship:*** Since June 30, 2022 ***DIN***: 08696001		
6.	**Savita Agarwal** ***Date of Birth:*** June 22, 1972 ***Designation***: Independent Director ***Address***: Flat 9C Merlin Cambridge, 24 Prince Anwar Shah Road, Navina Cinema, Tollygunge, Kolkata, West Bengal 700 033 ***Occupation***: Professional ***Current Term***: For a period of two years with effect from June 30, 2022 ***Period of Directorship:*** Since June 30, 2022 ***DIN***: 00062183	50	• Ratico Agencies Private Limited • K M S R Insolvency Private Limited • Intrasoft Technologies Limited

Relationship between our Directors

Except as disclosed below, none of the Directors are related to each other:

S. No.	Name of the Director	Related To	Nature of Relationship
1.	Suresh Jhunjhunwala	Anirudh Jhunjhunwala	Father
		Anuj Jhunjhunwala	Father
2.	Anirudh Jhunjhunwala	Suresh Jhunjhunwala	Son
		Anuj Jhunjhunwala	Brother
3.	Anuj Jhunjhunwala	Suresh Jhunjhunwala	Son
		Anirudh Jhunjhunwala	Brother

Brief biographies of Directors

Suresh Jhunjhunwala aged 69 years is an Executive Chairman and Whole-time Director of our Company. He has passed Bachelor of in Commerce (Part- I) Honours Examinations of University of Calcutta in 1972. He is responsible for strategy formulation and identifying new growth areas for our Company. He has been associated with our Company since its incorporation and has over 35 years of experience in chemical and speciality chemical industry.

Anirudh Jhunjhunwala aged 43 years is a Managing Director and CEO of our Company. He holds a bachelors' degree of Commerce from Calcutta University and holds a master's degree in business administration from University of Warwick. He is responsible for the overall business activities of the Company. He has been associated with our Company since its incorporation and has over 20 years of experience in chemical and speciality chemical industry.

Anuj Jhunjhunwala aged 39 years is a Whole-time Director and CFO of our Company. He holds a bachelors' degree of Commerce from Calcutta University and a masters' degree of science in finance from the ICFAI University, Dehradun. He has completed a course on options, futures and other financial derivates from the London School of Economics and Political Science and he is member of Council of Chartered Financial Analysts. Further, he holds a master's degree in business administration from Said Business School, University of Oxford. He has been associated with our Company since March 7, 2022. He has over 14 years of experience. In the past, he was associated with Greater Pacific Capital India Private Limited from October 2007 to June 2009 and is currently associated with our Material Subsidiary, BDJ Oxides Private Limited since November 2010.

Ashok Bhandari aged 69 years is an Independent Director of our Company. He is a chartered accountant by profession and holds a certificate of membership form the Institute of Chartered Accountants of India. He was associated with Shree Cements Limited as group financial advisor since 1999. Further, in the year 2004, he was appointed as the chief financial officer of Shree Cements Limited and he retired from his services in the year 2014. Additionally, he was previously associated with Intrasoft Technologies Limited, Mcleod Russel India Limited, NPR Finance Ltd., Eastern Financiers Ltd., Newa Investments Private Limited, AUM Capital Market Private Limited, Bindal Equities Private Limited, Lone Star Holdings Pvt. Ltd., Cast Solutions Private Limited and CEM Logistics Private Limited. He has been associated with our Company since June 30, 2022.

Sukanta Nag aged 63 years is an Independent Director of our Company. He holds a bachelors and master's degree in commerce from University of Calcutta. He holds a certificate of membership issued by Institute of Chartered Accountants of India and has successfully passed the final examination conducted by the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India. Further, he has successfully passed the associate examination of the Indian Institute of Bankers. He was previously associated with many organisations including, Credit Analysis & Research Ltd., as an executive vice-president and Infomerics Valuation and Rating Private Limited as chief executive officer and is presently associated with Riskman Consulting LLP and Bagchi Sengupta Pal & Co LLP as designated partner. He has been associated with our Company since June 30, 2022.

Savita Agarwal aged 50 years is an Independent Director of our Company. She is a chartered accountant by profession and holds a certificate of membership form the Institute of Chartered Accountants of India. Further, she also holds a certificate of registration from Insolvency and Bankruptcy Board of India to act as an insolvency professional. Presently, she is a partner at R. Kothari & Co. LLP, a practicing Chartered Accountants firm . She was previously associated with Knitwoth Exports Ltd., Kalpaturu Engineering Ltd., Mapple Commerce Pvt. Ltd and Manmohak Suppliers Private Limited. She has been associated with our Company since June 30, 2022.

Details regarding directorships of our Directors in listed companies

None of our Directors during the preceding 5 years from the date of filing of this Draft Red Herring Prospectus, is / was a director in listed companies whose shares have been / were suspended from being traded on the Stock Exchanges, during the term of their directorship in such listed companies.

None of our Directors is or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

Confirmations

Except as disclosed in this Draft Red Herring Prospectus, our Directors are not interested as a member in any firm or company which has any interest in our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulter and Fraudulent Borrower as defined under the SEBI ICDR Regulations.

None of our Directors have been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

Terms of appointment of Chairman, Managing Director and Whole-time Director

Terms of appointment of Suresh Jhunjhunwala:

Suresh Jhunjhunwala was appointed as an Executive Chairman and Wholetime Director pursuant to the board resolution dated May 16, 2022 and the approval of shareholders of our Company in the annual general meeting held on September 8, 2022.

The table below covers the remuneration which Suresh Jhunjhunwala is entitled to:

Gross Remuneration per month	₹ 1,280,000/-
Performance Incentive ("PI")	PI shall become payable annually & subject to availability of profit and in compliance with the provisions of Companies Act and other regulatory provision, if any
	Payment of PI is subject to the recommendation of the Board/other committees of the Company
PI Limit:	Maximum 30% of gross remuneration (excluding the value of perquisites) for the financial year
Perquisites:	
Leave travel concession	As per the provisions of Income Tax Act & as may be approved by the Board.
Membership & Club Fees	Reimbursement/ Direct payment of actual expenses
Car & Telephone	One car with driver, requisite cell phone & land line for residence
Insurance	Key man insurance premium for Sum Assured not exceeding ₹ 100 million
Others:	Leave as per rules & policy of the Company but more than one month's leave for every eleven months' of services. However, encashment of any leave or accumulated leave for the board member is expressly prohibited.
	Being a board member, he will not be entitled for receipt of any bonus. However, subject to provisions of Companies Act & availability of surplus profit he will be entitled for such commission as may be approved by the Board or any committee constituted by the Board thereof, as the case may be for the relevant financial year
	He shall be entitled to reimbursement of travelling, entertainment and all other expenses on actual basis incurred for legitimate business need of the Company but subject to policies rules of the Company framed from time to time.
	He shall be reimbursed out of pocket expenses as may be incurred by him while discharging his duties in his capacity as an Executive Chairman.
	Payment of sitting fees for attending meeting of the Board of Directors or any committee thereof shall be governed by the Companies Act and applicable policies of the Company.
	Other existing terms, if any shall stand terminated with immediate effect.

Terms of appointment of Anirudh Jhunjhunwala:

Anirudh Jhunjhunwala was appointed as a Managing Director pursuant to the board resolution dated May 16, 2022 and the approval of shareholders of our Company in the annual general meeting held on September 8, 2022**.**

The table below covers the remuneration which Anirudh Jhunjhunwala is entitled to:

Gross Remuneration per month	₹ 1,250,000/-
Performance Incentive ("PI")	PI shall become payable annually & subject to availability of profit and in compliance with the provisions of Companies Act and other regulatory provision, if

	any
	Payment of PI is subject to the recommendation of the Board/other committees of the Company
PI Limit:	Maximum 30% of gross remuneration (excluding the value of perquisites) for the financial year
Perquisites:	
Leave travel concession	As per the provisions of Income Tax Act & as may be approved by the Board.
Membership & Club Fees	Reimbursement/ Direct payment of actual expenses
Car & Telephone	One car with driver, requisite cell phone & land line for residence
Insurance	Key man insurance premium for Sum Assured not exceeding ₹100 million
Others:	Leave as per rules & policy of the Company but more than one month's leave for every eleven months' of services. However, encashment of any leave or accumulated leave for the board members is expressly prohibited.
	Being a board member, he will not be entitled for receipt of any bonus. However, subject to provisions of Companies Act & availability of surplus profit he will be entitled for such commission as may be approved by the Board or any committee constituted by the Board thereof, as the case may be for the relevant financial year
	He shall be entitled to reimbursement of travelling, entertainment and all other expenses on actual basis incurred for legitimate business need of the Company but subject to policies rules of the Company framed from time to time.
	He shall be reimbursed out of pocket expenses as may be incurred by him while discharging his duties in his capacity as Managing Director.
	Payment of sitting fees for attending meeting of the Board of Directors or any committee thereof shall be governed by the Companies Act and applicable policies of the Company.
	Other existing terms, if any, shall stand terminated with immediate effect.

Terms of appointment of Anuj Jhunjhunwala:

Anuj Jhunjhunwala was appointed as a Whole-time Director pursuant to the board resolution dated May 16, 2022, and the approval of shareholders of our Company in the annual general meeting held on September 8, 2022.

The table below covers the remuneration which Anuj Jhunjhunwala is entitled to:

Gross Remuneration per month	₹ 1,150,000/-
Performance Incentive ("PI")	PI shall become payable annually & subject to availability of profit and in compliance with the provisions of Companies Act and other regulatory provision, if any
	Payment of PI is subject to the recommendation of the Board/other committees of the Company
PI Limit:	Maximum 30% of gross remuneration (excluding the value of perquisites) for the financial year
Perquisites:	
Leave travel concession	As per the provisions of Income Tax Act & as may be approved by the Board.
Membership & Club Fees	Reimbursement/ Direct payment of actual expenses
Car & Telephone	One car with driver, requisite cell phone & land line for residence
Insurance	Key man insurance premium for Sum Assured not exceeding ₹100 million
Others:	Leave as per the policy of the Company but more than one month's leave for every eleven months' of services. However, encashment of any leave or accumulated leave for the board member is expressly prohibited.
	Being a board member, he will not be entitled for receipt of any bonus. However, subject to provisions of Companies Act & availability of surplus profit he will be entitled for such commission as may be approved by the Board or any committee

	constituted by the Board thereof, as the case may be for the relevant financial year.
	He shall be entitled to reimbursement of travelling, entertainment and all other expenses on actual basis incurred for legitimate business need of the Company but subject to policies rules of the Company framed from time to time.
	He shall be reimbursed out of pocket expenses as may be incurred by him while discharging his duties in his capacity as a Whole-time Director.
	Payment of sitting fees for attending meeting of the Board of Directors or any committee thereof shall be governed by the Companies Act and applicable policies of the Company.
	Other existing terms, if any, shall stand terminated with immediate effect.

Remuneration for Executive Directors

Details of the remuneration paid by our Company to our Executive Directors for the Fiscal 2022 are as follows:

(in ₹ million)

Sr. No.	Name of Director	Remuneration for Fiscal 2022
1.	Suresh Jhunjhunwala	16.09
2.	Anirudh Jhunjhunwala	13.24
3.	Anuj Jhunjhunwala	Nil*

**Anuj Jhunjhunwala was initially appointed as a Non-Executive Director. Subsequently, he was appointed as a Whole time Director vide board resolution dated May 16, 2022.*

Remuneration for Independent Directors

The sitting fees to be paid to our Independent Directors have been approved by our Board *vide* resolution dated June 30, 2022 and is enlisted as follows: (i) ₹ 20,000/- for attending each meeting of the Board and meeting of Independent Directors; (ii) ₹ 15,000/- for attending each meeting of committee; and (iii) ₹ 22,500/- for attending each corporate social responsibility committee meeting**.**

Further, the Company has not paid any remuneration to the Independent Directors for the Fiscal 2022.

Remuneration paid to our Directors by our Subsidiaries

Except as disclosed below, none of our Directors are entitled to receive remuneration from our Subsidiaries in Fiscal 2022, including any contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2022.

(in ₹ million)

Sr. No.	Name of Director	Remuneration for Fiscal 2022
1.	Anirudh Jhunjhunwala	2.84
2.	Anuj Jhunjhunwala	13.94

Arrangement or understanding with major Shareholders, customers, suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others pursuant to which any of our directors have been appointed.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

Other than as disclosed under section titled "*Capital Structure - Shareholding of our Directors and Key Managerial Personnel in our Company* on page 95, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Appointment of relatives of our Directors to any office or place of profit

Except as disclosed in this Draft Red Herring Prospectus, none of the relatives of our Directors hold any office or place of profit in our Company.

Interests of Directors

All Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. In addition, Directors may also be interested to the extent of Equity Shares held by them, and to the extent of any dividend paid to them.

(i) Interest in property

Our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company, or in any transaction for acquisition of land, construction of buildings and supply of machinery.

(ii) Business interest

Except as disclosed in "*Restated Consolidated Financial Information - Note no. 38 - Related Party Transactions*" on page 268, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

(iii) Payment of benefits (non-salary related)

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

(iv) Loans to Directors

Except as disclosed in "*Restated Consolidated Financial Information - Note no. 38- Related Party Transactions*" on page 268, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

(v) Bonus or profit sharing plan for the Directors

Except as disclosed in "- *Terms of appointment of Chairman, Managing Director and Whole-time Director*" on page 207, none of our Directors are party to any bonus or profit sharing plan of our Company. Further, there is no contingent or deferred compensation payable to our Directors at a later date.

(vi) Service contracts with Directors

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

(vii) Interest in promotion of our Company

Except for Suresh Jhunjhunwala, Anirudh Jhunjhunwala and Anuj Jhunjhunwala who are the Promoters of our Company, our Directors have no interests in the promotion of our Company as on the date of this Draft Red Herring Prospectus. Our Directors may also be interested to the extent of the Equity Shares, if any, held by their relatives or held by the entities in which they are associated as promoters, directors, partners, proprietors 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.

Changes in the Board in the last three years

Name	Date of appointment / change / cessation	Reason
Suresh Jhunjhunwala	April 1, 2021	Appointment as Managing Director
Anirudh Jhunjhunwala	April 1, 2021	Appointment as Joint Managing Director
Anuj Jhunjhunwala	March 7, 2022	Appointment as Additional Non Executive Director
Suresh Jhunjhunwala	May 16, 2022	Change in designation as an Executive Chairman and Whole-time Director
Anirudh Jhunjhunwala	May 16, 2022	Change in designation as Managing Director
Anuj Jhunjhunwala	May 16, 2022	Change in designation as Whole-time Director
Ashok Bhandari	June 30, 2022	Appointment as Independent Director
Sukanta Nag	June 30, 2022	Appointment as Independent Director
Savita Agarwal	June 30, 2022	Appointment as Independent Director

Borrowing powers of our Board

Pursuant to our Articles of Association, subject to applicable laws, and pursuant to a resolution passed by our Board in its meeting dated May 25, 2022 and our Shareholders in their EGM held on May 31, 2022, our Board has been authorised to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporates, whether in India or abroad, notwithstanding that the monies so borrowed together with monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, the aggregate of the paid up capital of the company and its free reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed a sum of ₹ 5,000.00 million.

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees and formulation of policies, each as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

Currently, our Board has 6 (six) Directors comprising 3 (three) Executive Directors and 3 (three) Independent Directors. The Board includes 1 (one) woman Independent Director. Further, in compliance with the provisions of the Companies Act, at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

Ashok Bhandari, the Independent Director, have been appointed as an independent director on the board of directors of our Material Subsidiary, namely, BDJ Oxides Private Limited.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

(i) Audit Committee

The members of the Audit Committee are:

Sr. No.	Name of Director	Designation
1.	Ashok Bhandari	Chairman
2.	Savita Agarwal	Members
3.	Suresh Jhunjhunwala	Members

Our Company Secretary and Compliance Officer is the secretary of the Audit Committee.

The Audit Committee was constituted by a meeting of the Board of Directors held on June 30, 2022. 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:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice;

(4) management discussion and analysis of financial condition and results of operations;

(5) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(6) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions; and

g. Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(11) scrutiny of inter-corporate loans and investments;

(12) valuation of undertakings or assets of the Company, wherever it is necessary;

(13) evaluation of internal financial controls and risk management systems;

(14) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(15) 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;

(16) discussion with internal auditors of any significant findings and follow up there on;

(17) 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;

(18) 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;

(19) 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;

(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;

(21) reviewing the functioning of the whistle blower mechanism;

(22) monitoring the end use of funds raised through public offers and related matters;

(23) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 100,00,00,000/- or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments ;

(26) carrying out any other functions required to be carried out as per the terms of reference of the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(27) consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its members;

(28) to review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and

(29) Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable provisions.

(30) Approve all related party transactions and subsequent material modifications;

(31) The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;

c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the Internal Auditors;

f) Statement of deviations in terms of the SEBI Listing Regulations:

   a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of Regulation 32(1) of the SEBI Listing Regulations; and

   b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

(ii) Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Position in Committee	Designation

1.	Ashok Bhandari	Chairman	Independent Director
2.	Savita Agarwal	Member	Independent Director
3.	Sukanta Nag	Member	Independent Director

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on June 30, 2022. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.

(2) Formulation of criteria for evaluation of performance of independent directors and the Board;

(3) Devising a policy on Board diversity;

(4) Identifying persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director), committees of the Board and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(5) Analysing, monitoring and reviewing various human resource, compensation matters and sanction of new senior management positions from time to time in the future;

(6) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(7) 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;

(8) Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel;

(9) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

(10) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(11) 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, if applicable;

(12) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(13) Administering the employee stock option scheme/ plan approved by the Board and the members of the Company in accordance with the terms of such scheme/ plan ("**ESOP Scheme**"), if any;

(14) 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;

(15) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

(16) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(a) use the services of an external agencies, if required;

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

(17) Performing such other functions as may be necessary or appropriate for the performance of its duties.

(18) authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors.

(19) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

(iii) Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of Director	Position in Committee	Designation
1.	Sukanta Nag	Chairman	Independent Director
2.	Ashok Bhandari	Member	Independent Director
3.	Suresh Jhunjhunwala	Member	Executive Chairman and Whole-time Director
4.	Anirudh Jhunjhunwala	Member	Managing Director and CEO

The Stakeholders' Relationship Committee was constituted by a meeting of the Board of Directors held on June

30, 2022. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under the applicable law, the following:

(1) considering and specifically looking into various aspects of interests of members, debenture holders and other security holders

(2) Resolving the grievances of the security holders of the listed entity including complaints related to allotment or transfer / transmission of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of allotment or transfer / transmission of shares and debentures, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

(3) Review of measures taken for effective exercise of voting rights by members;

(4) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(5) 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;

(6) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

(7) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the members of the company; and

(8) Carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(iv) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was reconstituted by a meeting of the Board of Directors held on June 30, 2022.

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of Director	Position in Committee	Designation
1.	Suresh Jhunjhunwala	Chairman	Executive Chairman and Whole-time Director
2.	Anirudh Jhunjhunwala	Member	Managing Director and CEO
3.	Ashok Bhandari	Member	Independent Director

The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

(i) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

(ii) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(iii) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (i) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

(iv) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(v) 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;

(vi) assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;

(vii) providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;

(viii) providing updates to our Board at regular intervals of six months on the corporate social responsibility activities;

(ix) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

(x) Exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

(v) Risk Management Committee

The members of the Risk Management Committee are:

Sr. No.	Name of Director	Position in Committee	Designation
1.	Suresh Jhunjhunwala	Chairman	Executive Chairman and Whole-time Director
2.	Anirudh Jhunjhunwala	Member	Managing Director and CEO
3.	Ashok Bhandari	Member	Independent Director
4.	Sukanta Nag	Member	Independent Director

The Risk Management Committee was constituted by a meeting of the Board of Directors held on June 30, 2022. The scope and function of the Risk Management Committee is in accordance with applicable provisions of the Companies Act, 2013 and Regulation 21 of the SEBI Listing Regulations. The terms of reference of the Risk Management Committee are as follows:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;

2. To implement and monitor policies and/or processes for ensuring cyber security;

3. To frame, devise and monitor detailed risk management plan and policy of the Company which shall include:

    a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks, or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

4. To review and recommend potential risk involved in any new business plans and processes;

5. To review the Company's risk-reward performance to align with the Company's overall policy objectives;

6. Monitor and review regular updates on business continuity;

7. 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.

8. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and

9. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

10. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company;

11. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

12. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

13. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

14. To review the appointment, removal, and terms of remuneration of the Chief Risk Officer.

15. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors.

16. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

(vi) IPO Committee

The members of the IPO Committee are:

Sr. No.	**Name of Director**	**Designation**
1.	Suresh Jhunjhunwala	Chairman
2.	Anirudh Jhunjhunwala	Member
3.	Anuj Jhunjhunwala	Member

The IPO Committee was constituted by our Board of Directors at their meeting held on June 21, 2022. The terms of reference of the IPO Committee of our Company are as per the applicable rules, and have been set out below:

(1) to decide, negotiate and finalise the pricing, the terms of issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead managers ("**BRLMs**") appointed in relation to the Offer.

(2) to decide in consultation with the BRLMs the actual size of the Offer and taking on record the number of equity shares, having face value of ₹ 10/- per equity share (the "**Equity Shares**"), and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, opening and closing dates of the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto.

(3) to appoint, instruct and enter into agreements with the BRLMs, and in consultation with BRLMs appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection banks, auditors, independent chartered accountants, refund bankers, registrar, grading agency, monitoring agency, industry expert, legal counsel, depositories, custodians, credit rating agencies, printers, advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and offer agreement with the BRLMs, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries.

(4) to make any alteration, addition or variation in relation to the Offer, in consultation with the BRLMs or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Offer structure and the exact component of offer of Equity Shares.

(5) to finalise, settle, approve, adopt and arrange for submission of the draft red herring prospectus ("**DRHP**"), the red herring prospectus ("**RHP**"), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed ("**Stock Exchanges**"), the Registrar of Companies, West Bengal ("**Registrar of Companies**"), institutions or bodies.

(6) to invite the existing members of the Company to participate in the Offer via offer for sale the Equity Shares held by them at the same price as in the Offer.

(7) to take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the Selling Shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale.

(8) to offer advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), Companies Act, 2013, as amended and other applicable laws.

(9) to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing members to sell any Equity Shares held by them.

(10) to open separate escrow accounts to receive application monies from anchor investors/underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Offer and in respect of which a refund, if any will be made.

(11) to open account with the bankers to the Offer to receive application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013, as amended.

(12) to do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the Central Depository Services (India) Limited and / or National Securities Depository Limited, Registrar and Share Transfer Agents and such other agencies, as may be required in this connection, with power to authorise one or more officers of the Company to execute all or any such documents.

(13) to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar

to the Offer, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, monitoring agency, legal advisors, auditors, Stock Exchanges, BRLMs and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents.

(14) to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), Registrar of Companies and such other statutory and governmental authorities in connection with the Offer, as required under applicable laws, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus.

(15) to make in-principle and final applications for listing and trading of the Equity Shares on one or more Stock Exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing.

(16) to determine and finalize, in consultation with the BRLMs, the price band for the Offer and minimum bid lot for the purpose of bidding, any revision to the price band and the final Offer price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Offer, including determining the anchor investor portion, the Pre-IPO Placement, if any, in accordance with the SEBI ICDR Regulations.

(17) to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents.

(18) to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable laws or the uniform listing agreement to be entered into by the Company with the relevant Stock Exchanges.

(19) to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer in accordance with the applicable laws.

(20) to determine the price at which the Equity Shares are offered, issued, allocated, transferred and/or allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors.

(21) to settle all questions, difficulties or doubts that may arise in relation to the Offer, as it may in its absolute discretion deem fit

(22) to do all acts, deeds and things and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer

(23) to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Offer

(24) to withdraw the DRHP or RHP or to decide not to proceed with the Offer at any stage, in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and other applicable laws

(25) to determine the utilization of proceeds of the fresh issue, if applicable, and accept and appropriate proceeds of such fresh issue in accordance with the Applicable Laws;

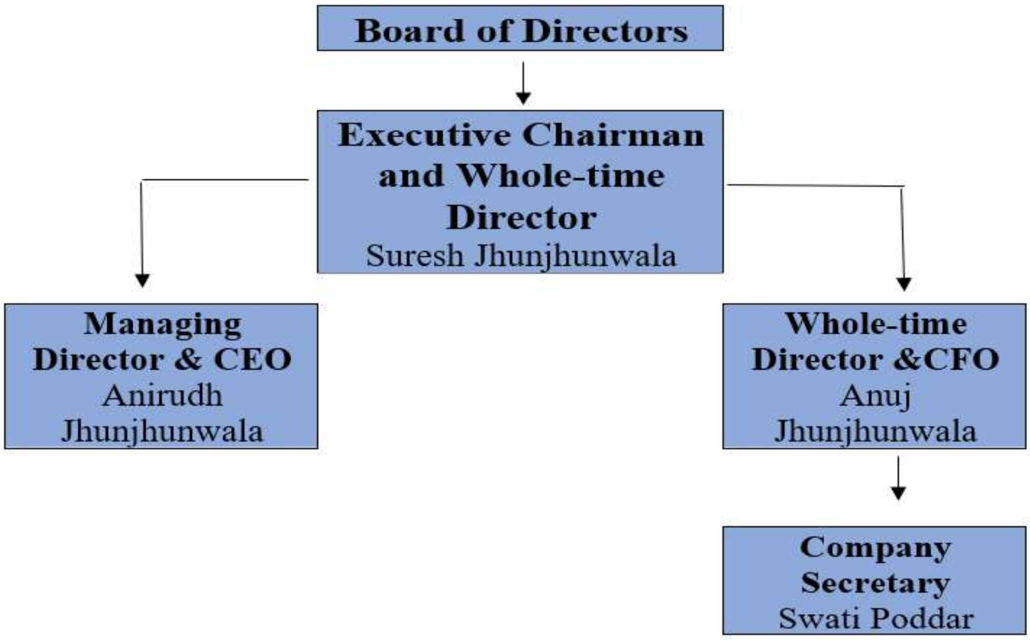
(26) to authorize any concerned person(s) on behalf of the Company to give such declarations, affidavits, certificates, consents and authorization, and execute such documents as may be required from time to time in relation to the Issue or provide clarifications to the SEBI, Registrar of Companies, West Bengal and the relevant Stock Exchange(s) where the Equity Shares are to be listed.

(27) to authorize the affixation of the common seal of the Company on such documents in this connection as may be required in accordance with the provisions of the Articles of Association of the Company and Applicable Law.

(28) to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant Stock Exchange(s) where the Equity Shares are to be listed; and

(29) to authorize and empower officers of the Company (each, an "**Authorized Officer(s)**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the Stock Exchange(s), the registrar's agreement and memorandum of understanding, the depositories' agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLMs and syndicate members, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Offer, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Offer, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the BRLMs and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

MANAGEMENT ORGANISATION CHART



KEY MANAGERIAL PERSONNEL

In addition to Suresh Jhunjhunwala, who is the Whole-time director, Anirudh Jhunjhunwala, who is the Managing Director and Chief Executive Officer and Anuj Jhunjhunwala, who is the Whole-time Director and Chief Financial Officer, the following persons are our Key Managerial Personnel. For details of the brief profile of our Executive Directors, please see "– *Brief biographies of Directors*" on page 205.

Brief Profiles of the KMPs

Swati Poddar is the Company Secretary & Compliance Officer of our Company. She holds a bachelors' degree in commerce from University of Calcutta. She is an associate member of the Institute of Company Secretaries of India. She has over five years of experience in the secretarial compliance. Prior to joining our Company, she was associated with Finecrete Eco-Blocks Private Limited, Hind Syntex Limited and Celica Developers Private Limited. She has been associated with our Company since June 2022, hence the gross remuneration paid to her during Fiscal 2022 was Nil.

Relationship among Key Managerial Personnel

Except as disclosed under "- *Relationship between our Directors*" on page 205, none of our Key Managerial Personnel are related to each other.

Contingent or deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Directors, which does not form part of their remuneration

Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

For details in relation to shareholding of Key Managerial Personnel, see "*Capital Structure - Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 95.

Arrangement and understanding with major Shareholders, customers, suppliers of our Company or others

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Bonus or profit sharing plans

None of the Key Managerial Personnel are party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Key Managerial Personnel

Interests of Key Managerial Personnel

Except as disclosed under *"- Interests of Directors*" on page 210, the Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

None of the Key Managerial Personnel have been paid any consideration of any nature from our Company on whose rolls they are employed, other than their remuneration.

Changes in the Key Management Personnel

Except as disclosed below and as set forth in "- *Changes in the Board in the last three years*" on page 211, there has been no changes in the Key Managerial Personnel in the last three years prior to the date of this Draft Red Herring Prospectus.

Name	**Designation**	**Date of resolution/ change**	**Reason for change**
Anirudh Jhunjhunwala	CEO	May 16, 2022	Appointment
Anuj Jhunjhunwala	CFO	May 16, 2022	Appointment
Swati Poddar	Company Secretary and Compliance Officer	May 25, 2022	Appointment

Further, the attrition rate of Key Managerial Personnel of our Company is not high as compared to our peers.

Payment or Benefit to Key Managerial Personnel of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Managerial Personnel within the two preceding years.

Service contracts with Key Managerial Personnel

No officer of our Company, including the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

EMPLOYEE STOCK OPTION

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option schemes.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Suresh Jhunjhunwala, Anirudh Jhunjhunwala and Anuj Jhunjhunwala.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 11,960,000 Equity Shares, equivalent to 37.71% of the issued, subscribed and paid-up Equity Share capital of our Company. All Equity Shares issued to our Promoters were fully paid up at the time of allotment. For further details on shareholding of our Promoters and Promoter Group, please see section titled "*Capital Structure – Notes to Capital Structure*" on page 84.

OUR PROMOTERS

1. Suresh Jhunjhunwala

Suresh Jhunjhunwala (DIN: 00234725), aged 69 years, is one of our Promoter and is also an Executive Chairman and Wholetime Director of our Company.

His permanent account number is ACUPJ1237G.

For complete profile of Suresh Jhunjhunwala, along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see section titled "*Our Management – Brief biographies of Directors*" on page 205.

2. Anirudh Jhunjhunwala

Anirudh Jhunjhunwala (DIN: 00234879), aged 43 years, is one of our Promoter and is also the Managing Director and Chief Executive Officer of our Company.

His permanent account number is ACSPJ7372A.

For complete profile of Anirudh Jhunjhunwala along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see section titled "*Our Management – Brief biographies of Directors*" on page 205.

3. Anuj Jhunjhunwala

Anuj Jhunjhunwala (DIN: 00234926), aged 39 years, is one of our Promoter and is also an Wholetime Director and Chief Financial Officer of our Company.

His permanent account number is AECPJ9100J.

For complete profile of Anuj Jhunjhunwala along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see section titled "*Our Management – Brief biographies of Directors*" on page 205.

Further, our Company confirms that the PAN, Aadhar, bank account number, driving license and passport number of Suresh Jhunjhunwala, Anirudh Jhunjhunwala and Anuj Jhunjhunwala will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Experience of the Promoters in the business of our Company

Our Promoters have adequate experience in the business activities undertaken by our Company.

Change in Control of our Company

There has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus. For further details of acquisition of Equity Shares by our Promoters, please see section titled "*Capital Structure - Build-up of the shareholding of our Promoters in our Company*" on page 87.

Interests of our Promoters

Interest in the promotion of our Company

Our Promoters are interested in our Company to the extent (a) that they are the promoters of our Company; (b) of their respective shareholding in our Company, the shareholding of their relatives and entities in which our Promoters are interested and which hold the Equity Shares, and the dividends payable upon such shareholding, if any; (c) any other distributions in respect of the Equity Shares held by them, their relatives or such entities, if any; (d) of being Directors and Key Managerial Personnel of our Company and the sitting fees / remuneration, benefits and reimbursement of expenses, payable to them as per the terms of their appointment as such, by our Company; and (e) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares or have an interest, if applicable. For further details, please see sections titled "*Capital Structure*", "*Our Management*" and "*Restated Consolidated Financial Information –Note no. 38 – Related Party Transactions*" on pages 83, 203 and 268, respectively.

Interest in the property (including acquisition of land, construction of building and supply of machinery) of our Company

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Further, our Promoters do not have any direct or indirect interest in any property that our Company has taken on lease.

Interest in our Company arising out of being a member of a firm or company

Our Promoters are not interested as a member of a firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Interest in our Company other than as Promoter

Our Promoters are interested in our Company to the extent of their directorship (and consequently remuneration payable to them and reimbursement of expenses) in our Company and the dividends payable, if any, and any other distribution in respect of their respective shareholding in our Company or the shareholding of their relatives in our Company. For further details, please see sections titled "*Our Management*", "*Capital Structure*" and "*Financial Information*" on pages 203, 83 and 235, respectively, our Promoters do not have any other interest in our Company.

Interest of our Promoters in the promotion of our Subsidiaries

Our Promoters are interested in our Company (i) to the extent of the equity shares held by them in our Subsidiaries, directly or indirectly and the benefits accruing therefrom; (ii) to the extent that they are a director on the board of directors of our Subsidiaries and (iii) to the extent that two of our Promoters, namely, Anirudh Jhunjhunwala and Anuj Jhunjhunwala are withdrawing remuneration in their capacity as Executive Directors from one of our Subsidiaries, namely, BDJ Oxides. For further details, please see section titled "*Our Subsidiaries*" and "*Our Management*" on pages 201 and 203.

Payment of benefits to our Promoters or our Promoter Group

Except as disclosed in sections titled "*Restated Consolidated Financial Information – Note no. 38 - Related Party Transactions*" and "*Our Management*" on pages 268 and 203 respectively, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

Material Guarantees given by our Promoters with respect to the Equity Shares

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Confirmations

None of our Promoters and members of our Promoter Group have been declared as Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower issued by Reserve Bank of India.

None of our Promoters have been declared as Fugitive Economic Offenders.

None of our Promoters and members of our Promoter Group have been debarred or prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Promoters are and have been a promoter, director or person in control of any other company which is debarred or prohibited from accessing capital markets under any order or direction passed by SEBI.

None of our Promoters are related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Companies or Firms with which our Promoters have disassociated in the last three years

Except as disclosed below, none of our Promoters have disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Name of Promoter(s)	Companies or firms with which Promoter(s) have disassociated	Reasons and circumstances of disassociation	Date of disassociation
Suresh Jhunjhunwala	Sree Khemisati Constructions Private Limited	Resignation from directorship	May 17, 2022
	Axis Commodeal Private Limited	Amalgamated with M/s Mangalam Equity Management Private Limited	April 01, 2021
	Orbit Trexim Private Limited		
	Ornamental Fabrications Private Limited		
	Perfect Finvest Private Limited		
	Solar Vyapaar Private Limited		
Anuj Jhunjhunwala	Axis Commodeal Private Limited	Amalgamated with M/s Mangalam Equity	April 01, 2021
	Orbit Trexim Private Limited		

	Ornamental Fabrications Private Limited	Management Private Limited	
	Perfect Finvest Private Limited		
	Solar Vyapaar Private Limited		

Our Promoter Group

In addition to the Promoters named above, the following individuals and entities form part of our Promoter Group of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

A. Natural persons who are part of the Promoter Group*

The natural persons who are part of our Promoter Group (due to their relationship with our individual Promoters or whose shareholding is aggregated under the heading "shareholding of the promoter group"), other than our Promoters, are as follows:

Name of the Promoter	Name of the Immediate relative	Relationship
Suresh Jhunjhunwala	Alka Jhunjhunwala	Spouse
	Anirudh Jhunjhunwala	Son
	Anuj Jhunjhunwala	Son
	Gita Devi Mody	Spouse's mother
	Pravin Kumar Mody	Spouse's brother
	Pawan Kumar Mody	Spouse's brother
	Madhushree Poddar	Spouse's sister
	Usha Gupta	Spouse's sister
Anirudh Jhunjhunwala	Shilpa Jhunjhunwala	Spouse
	Suresh Jhunjhunwala	Father
	Alka Jhunjhunwala	Mother
	Anuj Jhunjhunwala	Brother
	Aanya Jhunjhunwala (Minor)	Daughter
	Aaisha Jhunjhunwala (Minor)	Daughter
	Rajendra Prasad Chowdhary	Spouse's father
	Shashi Devi Chowdhary	Spouse's mother
	Aayush Chowdhary	Spouse's brother
	Shivani Goenka	Spouse's sister
	Pallavi Shroff	Spouse's sister
	Manisha Bathwal,	Spouse's sister
Anuj Jhunjhunwala	Aakriti Jhunjhunwala	Spouse
	Suresh Jhunjhunwala	Father
	Alka Jhunjhunwala	Mother
	Anirudh Jhunjhunwala	Brother
	Ayansh Jhunjhunwala (Minor)	Son
	Aloke Kr Kejriwal	Spouse's father
	Anita Kejriwal	Spouse's mother
	Akshay Kejriwal	Spouse's brother

** Our Company had filed an application dated June 22, 2022, with SEBI seeking an exemption under Regulation 300(1)(b) and (c) of the SEBI ICDR Regulations, from classifying Relevant Persons, their connected entities and transacting entities, as members of our Promoter Group and including relevant disclosures, confirmations and undertakings in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in relation to the same. SEBI vide its letter dated December 21, 2022, bearing reference number SEBI/ERO/P/OW/2022/63138/1 approved our application and granted us the exemption sought therein.*

B. Entities forming part of the Promoter Group*

The entities forming part of our Promoter Group are as follows:

Sr. No.	Entities forming part of our Promoter Group

1.	GoodNews Media Private Limited
2.	Jayanti Commercial Limited
3.	Swarnim Complex Private Limited
4.	Abhinandan Towers Private Limited
5.	Vision Projects & Finvest Private Limited
6.	Alkan Fiscal Services Private Limited
7.	BDJ Chemicals Private Limited
8.	Crystal Towers Private Limited
9.	Eeshwar Fiscal Services Private Limited
10.	Afford Tie-up Private Limited
11.	Shreeji Merchants Private Limited
12.	Prestige Towers Private Limited
13.	BDJ Impex Private Limited
14.	A.M. Industries Limited
15.	Ayodhya Flour Mills Private Limited
16.	Suryalaxmi Enterprises Private Limited
17.	Anirudh Jhunjhunwala (HUF)
18.	Suresh Kumar Jhunjhunwala (HUF)
19.	Anuj Jhunjhunwala (HUF)
20.	Pawan Kumar Mody (HUF)

** Our Company had filed an application dated June 22, 2022, with SEBI seeking an exemption under Regulation 300(1)(b) and (c) of the SEBI ICDR Regulations, from classifying (Relevant Persons, their connected entities and transacting entities, as members of our Promoter Group and including relevant disclosures, confirmations and undertakings in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in relation to the same. SEBI vide its letter dated December 21, 2022, bearing reference number SEBI/ERO/P/OW/2022/63138/1 approved our application and granted us the exemption sought therein.*

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoters and subsidiaries) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in this Draft Red Herring Prospectus, as covered under applicable accounting standards (i.e., Ind AS 24 issued by the Institute of Chartered Accountants of India), and (ii) any other companies considered "material" by the Board.

Accordingly, for (i) above, all such companies with which the Company had related party transactions during the period covered in the Restated Consolidated Financial Information included in the Offer Document, as covered under the applicable accounting standards, shall be considered as 'group companies' of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Information) shall be considered "material" and will be disclosed as 'group companies' in this Draft Red Herring Prospectus, if it is a member of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and has entered into one or more transactions with our company as per the latest fiscal covered in the Restated Consolidated Financial Information, that individually or cumulatively in value exceeds 10% of the total income of our Company for the latest fiscal covered in the Restated Consolidated Financial Information.

Accordingly, in terms of the Materiality Policy, the Board has identified the following companies as the Group Companies of the Company:

1. Jayanti Commercial Limited;
2. Alkan Fiscal Services Private Limited;
3. Eeshwar Fiscal Services Private Limited;
4. Crystal Towers Private Limited;
5. BDJ Impex Private Limited;
6. BDJ Chemicals Private Limited;
7. Vision Projects & Finvest Private Limited;
8. Swarnim Complex Private Limited;
9. GoodNews Media Private Limited;
10. Afford Tie Up Private Limited; and
11. Shreeji Merchants Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our top five Group Companies (based on turnover) for the previous three financial years, extracted from its audited financial statements (as applicable) is available at the websites indicated below.

Details of our Group Companies

1. Jayanti Commercial Limited (Selling Shareholder)

The registered office of Jayanti Commercial Limited is situated at 34A, Metcalfe Street, 3rd Floor, Flat 3F, Kolkata 700 013, West Bengal.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Jayanti Commercial Limited for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are available on the website of our Jayanti Commercial Limited at https://jayanticommercial.com/investor_relation.html.

The equity shares of Jayanti Commercial Limited are listed on Calcutta Stock Exchange. However, the equity shares are not being currently traded on Calcutta Stock Exchange**.**

2. Alkan Fiscal Services Private Limited

The registered office of Alkan Fiscal Services Private Limited is situated at 34A, Metcalfe St., 3rd Floor, Flat 3F, Kolkata 700 013, West Bengal.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Alkan Fiscal Services Private Limited for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are available on the website of our Company at https://jgchem.com/financials/.

3. Eeshwar Fiscal Services Private Limited

The registered of office Eeshwar Fiscal Services Private Limited is situated at Flat no. 3F, 34A, Metcalfe St., 3rd Floor, Kolkata 700 013, West Bengal.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Eeshwar Fiscal Services Private Limited for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are available on the website of our Company at https://jgchem.com/financials/.

4. Crystal Towers Private Limited

The registered office of Crystal Towers Private Limited is situated at 34A, Metcalfe Street, 3rd Floor, Flat 3F, Kolkata 700 013, West Bengal

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Crystal Towers Private Limited for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are available on the website of our Company at https://jgchem.com/financials/.

5. BDJ Impex Private Limited

The registered of office BDJ Impex Private Limited is situated at 34A, Metcalfe Street., 1st Floor, Flat 1C, Kolkata 700 013, West Bengal.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of BDJ Impex Private Limited for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are available on the website of our Company at https://jgchem.com/financials/.

Apart from the top five Group Companies, based on such Group Company’s turnover, as set out above, the details of other Group Companies are set forth below:

6. BDJ Chemicals Private Limited

The registered of office BDJ Chemicals Private Limited is situated at 34A, Metcalfe St., 3rd Floor, Flat 3F, Kolkata 700 013, West Bengal.

7. Vision Projects & Finvest Private Limited (Selling Shareholder)

The registered of office Vision Projects & Finvest Private Limited is situated at 34A, Metcalfe Street, Flat no. 3F, Kolkata 700 013, West Bengal.

8. Swarnim Complex Private Limited

The registered office of Swarnim Complex Private Limited is situated at 34A, Metcalfe Street, 3rd Floor, Kolkata 700 013, West Bengal.

9. GoodNews Media Private Limited

The registered office of GoodNews Media Private Limited is situated at 34A, Metcalfe Street, 1st Floor, Flat 1C, Kolkata 700 013, West Bengal.

10. Afford Tie Up Private Limited

The registered office of Afford Tie Up Private Limited is situated at 34A, Metcalfe Street, 1st Floor, Flat 1C, Kolkata 700 013, West Bengal.

11. Shreeji Merchants Private Limited

The registered office of Shreeji Merchants Private Limited is situated at 34A, Metcalfe Street, 3rd Floor, Kolkata 700 013, West Bengal.

Nature and extent of interest of our Group Companies

a. ***In the promotion of our Company***

Eeshwar Fiscal Services Private Limited was one of the initial subscribers to the MoA of our Company and to that extent was interested in the formation of our Company. However, currently, none of our Group Companies, including Eeshwar Fiscal Services Private Limited, have any interest in the promotion of our Company.

b. ***In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

c. ***In transactions for acquisition of land, construction of building and supply of machinery***

Except as disclosed in this Draft Red Herring prospectus, our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery. For further details, please see section titled "*Restated Consolidated Financial Information – Note no. 38 – Related Party Transactions*" on page 268.

Common Pursuits between our Group Companies and our Company

Except for BDJ Impex Private Limited who is currently engaged in the business of trading of various materials including zinc oxide, none of our Group Companies are in the same line of business as our Company and there are no Group Companies involved in any common pursuits with our Company.

Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in the section titled "*Restated Consolidated Financial Information – Note no. 38 – Related Party Transactions*" on page 268, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Other than the transactions disclosed in the section titled "*Restated Consolidated Financial Information – Note no. 38 – Related Party Transactions*" on page 268, our Group Companies have no business interest in our Company.

Litigation

Our Group Companies are not party to any pending litigations which will have a material impact on our Company.

Utilisation of Offer Proceeds

Except for Jayanti Commercial Limited and Vision Projects & Finvest Private Limited participating in Offer for Sale, there are no material existing or anticipated transactions in relation to utilisation of the Offer Proceeds with our Group Companies.

DIVIDEND POLICY

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 the Companies Act. Our Board approved the formal dividend policy of the Company, at the Board meeting held on May 25, 2022, which includes parameters to be considered by the Board for declaration of dividend, with an objective of rewarding the shareholders of our Company.

The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see the section titled "*Financial Indebtedness*" on page 322. For details in relation to the risks involved in this regard, please see section titled "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements*." on page 56.

The Company has not declared and paid any dividends on the Equity Shares in any of the three Fiscals, six months period ended September 30, 2022 and the period from October 1, 2022 till the date of this Draft Red Herring Prospectus.

SECTION VII: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION IN CONNECTION WITH THE PROPOSED INITIAL PUBLIC OFFER OF J.G. CHEMICALS LIMITED (FORMERLY KNOWN AS J.G. CHEMICALS PRIVATE LIMITED)

To
The Board of Directors,
J.G. Chemicals Limited,
34A Metcalfe Street,
Kolkata-700013
West Bengal

Dear Sirs,

1) We have examined, the attached Restated Consolidated Financial Information, expressed in INR Millions of J.G. Chemicals Limited (formerly J.G. Chemicals Private Limited) (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") comprising the Restated Consolidated Statement of Assets & Liabilities as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, 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 six months period ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (Collectively referred to as, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on November 17, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (hereinafter to be referred as "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended and any rules issued thereunder (the "**Act**");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

Management's Responsibility for the Restated Consolidated Financial Information

2) The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India ("**SEBI**"), the stock exchanges where the equity shares of the Company are proposed to be listed ("**Stock Exchanges**") and the Registrar of Companies, West Bengal, at Kolkata ("**RoC**"), in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the "Basis of Preparation" stated in note 2 of Annexure V to the Restated Consolidated Financial Information.
The respective Board of Directors of the Companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3) We have examined the 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 October 17, 2022 in connection with the proposed IPO of equity shares of the Company;
   b) The Guidance Note that requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
   d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

4) The Restated Consolidated Financial Information have been compiled by the Company's management from:

   a) Audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the six months period ended September 30, 2022 which have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on November 17, 2022.

   b) Audited consolidated Ind AS financial statements of the Group as at and for year ended March 31, 2022, prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 18, 2022.

   c) Audited special purpose consolidated Ind AS financial statements of the Group as at and for years ended March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 16, 2022. The financial information for the years ended March 31, 2021 and March 31, 2020 included in the special purpose consolidated Ind AS financial statements are based on the previously issued statutory consolidated financial statements prepared for the years ended March 31, 2021 and March 31, 2020 in accordance with the Companies (Accounting Standard) Rules, 2006 & audited and reported by erstwhile statutory auditor M/s B. Chhawchharia & Co., Chartered Accountants having firm registration number 305123E who has issued an unmodified audit opinion vide audit reports dated October 25, 2021 and December 3, 2020 respectively and which has been translated into figures as per Ind AS after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company.

5) For the purpose of our examination, we have relied on:

   a) Auditors' reports issued by us dated November 17, 2022 on the audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the six months period ended September 30, 2022 as referred in Paragraph 4 (a) above;

b) Auditors' reports issued by the erstwhile statutory auditor M/s B. Chhawchharia & Co., dated August 18, 2022 on the audited consolidated Ind AS financial statements as at and for the year ended March 31, 2022 as referred in Paragraph 4 (b) above;

c) Auditors' reports issued by us dated September 16, 2022 on the audited special purpose consolidated Ind AS financial statements as at and for the years ended March 31, 2021 and March 31, 2020 as referred in Paragraph 4 (c) above;

d) Auditor's report issued by the erstwhile statutory auditors M/s B. Chhawchharia & Co., dated October 25, 2021 on the consolidated financial statements of the company issued under IGAAP for the year ended March 31, 2021, as referred in Paragraph 4 (c) above.

e) Auditor's report issued by the erstwhile statutory auditors M/s B. Chhawchharia & Co., dated December 3, 2020 on the consolidated financial statements of the company issued under IGAAP for the year ended March 31, 2020, as referred in Paragraph 4 (c) above.

6) The audit report issued by the previous auditors referred to in para 5 above included the following paragraph:

Emphasis of Matter paragraph

Auditor's report dated December 3, 2020 on the consolidated financial statements of the Company for the year ending March 31, 2020.

"We draw attention to Note No. 31 of the Financial Statements, which describe the economic impact, the Company is facing due to outbreak of Corona Virus Disease (COVID- 19).
Our opinion is not modified with respect to this matter."

Other Matter paragraph

We did not audit the financial statements of one of the subsidiaries - BDJ Speciality Chemicals Private Limited for the years ended March 31, 2022, 2021 and 2020, whose share of total assets, total revenues and net cash flows /(outflows) included in the Consolidated Financial Statements, for the relevant years are tabulated below, which have been audited by M/s Jain & Co. Chartered Accountants (FRN: 302023E) ("Other Auditor") and our opinion on the Consolidated Financial Statement, in so far as it relates to the amount and disclosures included in respect of the subsidiary is based on the report of such other auditor:

(Rs. In Millions)

Particulars	As at/ for the year ended March 31, 2022	As at/ for the year ended March 31, 2021	As at/ for the year ended March 31, 2020
Total Assets	19.08	18.01	17.23
Total Revenue	1.33	0.82	-
Net Cash Inflows/ (Outflows)	(2.78)	(0.11)	2.99

Our report is not modified with respect to this matter.

7) As indicated in our Special purpose audit report on the interim consolidated Ind AS financial statements for the six months period ended September 30, 2022:

We did not audit financial statements of one subsidiary - BDJ Speciality Chemicals Private Limited, whose share of total assets, total revenues and net cash flows /(outflows) included in the Consolidated Financial Statements, for the relevant period are tabulated below, which have been audited by M/s Jain & Co. Chartered Accountants (FRN: 302023E) ("Other Auditor") and our opinion on the Consolidated Financial Statement, in so far as it relates to the amount and disclosures included in respect of the subsidiary is based on the report of such other auditor:

(Rs. In Millions)

Particulars	As at/ for the six months period ended September 30, 2022
Total Assets	19.62
Total Revenue	0.75
Net Cash Inflows/ (Outflows)	(0.05)

Our opinion is not modified with respect to this matter.

8) In respect of the entity mentioned in Paragraph 6 and 7 above, the Other Auditor has examined the restated financial information of the said entity included in these Restated Consolidated Financial Information for the respective years/periods and has confirmed that the restated financial statement of the entity:

a) has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassification retrospectively in the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classification followed as at and for the six months period ended September 30, 2022;

b) there are no qualifications in the auditor's report on the audited financial statements of the said entity as at September 30, 2022, March 31, 2022, 2021 and 2020 which require any adjustments to the Restated Consolidated Financial Information. And

c) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

Opinion

9) Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the examination report submitted by the Other Auditor, we report that the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassification retrospectively in the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the six months period ended September 30, 2022;

b) do not contain any qualifications requiring adjustments for the six months period ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

c) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

10) The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 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 or any other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the consolidated 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.

Restrictions on use

13) Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, Stock exchanges and ROC in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S. Jaykishan**
Chartered Accountants
Firm's Registration No. 309005E

CA B.K. Newatia
Partner
Membership No. 050251
Dated: The 17th day of November, 2022.
Place: Kolkata
UDIN:22050251BFQVIE6525

SR No	Particulars	Annexure Number
1	Restated Consolidated Statement of Assets & Liabilities	Annexure- I
2	Restated Consolidated Statement of Profit And Loss	Annexure- II
3	Restated Consolidated Statement of Cash Flows	Annexure- III
4	Restated Consolidated Statement of Changes In Equity	Annexure- IV
5	Significant Accouting Policies to the Restated Consolidated Financial Information	Annexure- V
6	Notes to Consolidated Restated Financial Information	Annexure- VI
7	Notes on adjustments and regrouping to Restated Consolidated Financial Information	Annexure- VII
8	Capitalisation Statement	Annexure- VIII
9	Other Financial Information	Annexure- IX
10	List of Subsidiaries	Annexure- X

J.G.CHEMICALS LIMITED (Formerly known as J.G.Chemicals Private Limited)
CIN: U24100WB2001PLC093380
ANNEXURE- I
RESTATED CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
ASSETS					
(1) Non-current assets					
(a) Property, Plant and Equipment	3	335.01	223.65	223.87	201.50
(b) Capital work-in-progress	4	1.20	73.79	0.37	3.34
(c) Goodwill on Consolidation		-	-	5.56	5.56
(d) Intangible Assets	5	0.14	0.17	0.25	0.34
(e) Financial Assets:					
(i) Investments	6	57.03	84.88	86.28	57.54
(ii) Other Financial Assets	7	9.86	8.90	7.71	7.99
(f) Deferred tax assets (net)	8	-	0.32	-	1.06
(g) Non-Current Tax Assets	9	0.13	0.19	4.60	9.14
(h) Other Non-Current Assets	10	21.86	12.36	14.99	19.44
Total Non- current assets		**425.23**	**404.26**	**343.64**	**305.91**
(2) Current assets					
(a) Inventories	11	713.89	882.66	486.41	455.38
(b) Financial Assets:					
(i) Trade Receivables	12	1,177.52	947.71	897.95	499.55
(ii) Cash and Cash Equivalents	13	20.50	58.53	47.06	6.98
(iii) Bank Balances other than (ii) above	14	0.24	22.08	4.46	0.04
(iv) Loans	15	18.73	17.60	19.50	17.20
(v) Other Financial Assets	16	110.65	89.22	51.44	46.75
(c) Current Tax Assets (net)	17	-	-	-	0.18
(d) Other Current Assets	18	196.04	219.35	248.90	162.26
Total current assets		**2,237.57**	**2,237.15**	**1,755.72**	**1,188.34**
TOTAL ASSETS		**2,662.80**	**2,641.41**	**2,099.37**	**1,494.24**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	19	317.20	12.20	12.20	12.20
(b) Other Equity	20	1,554.75	1,513.98	1,072.57	837.31
Total of Equity attributable to Equity Holders of the Company		1,871.95	1,526.18	1,084.77	849.51
(c) Non Controlling Interest		50.77	40.20	105.27	51.61
Total Equity		**1,922.72**	**1,566.38**	**1,190.04**	**901.12**
Liabilities					
(1) Non-current liabilities					
(a) Financial Liabilities:					
(i) Borrowings	21	78.73	55.95	54.79	57.24
(ii) Other Financial Liabilities	22	-	-	2.00	2.00
(b) Provisions	23	2.36	2.38	1.78	1.33
(c) Deferred tax liabilities (net)	8	4.55	-	1.19	-
Total non-current liabilities		**85.64**	**58.33**	**59.76**	**60.57**
(2) Current liabilities					
(a) Financial Liabilities:					
(i) Borrowings	24	460.11	883.46	689.71	467.01
(ii) Trade Payables	25				
- Total outstanding dues of micro enterprises and small enterprises		5.54	9.81	2.73	2.59
- Total outstanding dues of creditors other than micro enterprises and small enterprises		71.16	43.31	69.21	28.30
(iii) Other Financial Liabilities	26	41.00	38.93	20.63	13.05
(b) Other Current Liabilities	27	13.23	21.13	32.04	12.85
(c) Provisions	28	8.48	11.37	9.48	8.74
(d) Current Tax Liabilities (net)	29	54.92	8.69	25.77	-
Total current liabilities		**654.44**	**1,016.70**	**849.56**	**532.54**
TOTAL EQUITY AND LIABILITIES		**2,662.80**	**2,641.41**	**2,099.37**	**1,494.24**
Significant accounting policies and notes to financial statements	**1-54**				

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For and on behalf of the Board of Directors of
J.G.Chemicals Limited (Formerly J.G.Chemicals Pvt. Ltd.)

For S. JAYKISHAN
Chartered Accountants
Firm's Registration Number : 309005E

Suresh Jhunjhunwala
Executive Chairman
DIN No. 00234725

Anuj Jhunjhunwala
Whole time Director & CFO
DIN No. 00234926

CA B.K. Newatia
Partner
Membership No.: 050251
Place : Kolkata
Date: The 17th day of November, 2022.

Anirudh Jhunjhunwala
CEO & Managing Director
DIN No. 00234879

Swati Poddar
CS & Compliance Officer
Membership No. : A49212

J.G.CHEMICALS LIMITED (Formerly known as J.G.Chemicals Private Limited)
CIN: U24100WB2001PLC093380
ANNEXURE -II
RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amount in INR Millions unless otherwise stated)

Particulars	Note No.	Period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
I. Revenue from Operations	30	4,250.72	6,128.30	4,352.98	3,993.91
II. Other Income	31	71.31	102.17	51.07	78.78
III. Total Income (I+II)		**4,322.03**	**6,230.47**	**4,404.05**	**4,072.69**
IV. Expenses					
Cost of Materials Consumed	32	3,398.35	5,062.84	3,454.48	3,394.34
Purchases of Stock-in-Trade		-	4.97	5.19	19.32
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	33	(3.28)	(109.34)	30.50	(10.33)
Employee Benefits Expense	34	70.25	133.11	102.99	96.90
Finance Costs	35	24.52	62.51	50.70	61.66
Depreciation and Amortisation Expense		13.26	26.80	23.38	18.64
Other Expenses	36	333.57	475.11	324.83	301.05
Total Expenses (IV)		**3,836.67**	**5,656.01**	**3,992.06**	**3,881.59**
V. Restated Profit/ (loss) before tax (III-IV)		**485.36**	**574.46**	**411.99**	**191.10**
VI. Tax expense:	37				
(a) Current tax		122.70	145.05	105.12	49.99
(b) Deferred tax		5.14	(1.79)	1.93	1.59
(c) Income tax adjustment for earlier years		0.39	(0.05)	16.94	-
VII. Restated Profit/ (loss) for the period (V-VI)		**357.13**	**431.26**	**287.99**	**139.53**
VIII. Other Comprehensive Income:					
(i) Items that will not be reclassified to profit or loss					
a. Remeasurements of the defined benefit plans		(1.05)	1.12	1.26	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.27)	0.28	0.32	-
IX. Restated total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**356.35**	**432.09**	**288.93**	**139.53**
X. Restated Net Profit attributable to:					
Owners of the Parent		**346.59**	**400.05**	**234.38**	**129.56**
Non-Controlling Interest		**10.54**	**31.21**	**53.61**	**9.97**
XI. Other Comprehensive Income/(Loss) attributable to:					
Owners of the Parent		**(0.81)**	**0.78**	**0.89**	**-**
Non-Controlling Interest		**0.02**	**0.05**	**0.06**	**-**
XII. Restated total Comprehensive Income/(Loss) attributable to:					
Owners of the Parent		**345.78**	**400.83**	**235.27**	**129.56**
Non-Controlling Interest		**10.57**	**31.27**	**53.66**	**9.97**
XIII. Earning per equity share:	41				
Basic and Diluted (in Rs.) (FV of Rs. 10 each) (not annualised for period ended 30th September, 2022)		10.93	12.61	7.39	4.08
Significant accounting policies and notes to financial statements	**1-54**				

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of J.G.Chemicals Limited (Formerly J.G.Chemicals Pvt. Ltd.)

For S. JAYKISHAN
Chartered Accountants
Firm's Registration Number : 309005E

Suresh Jhunjhunwala
Executive Chairman
DIN No. 00234725

Anuj Jhunjhunwala
Whole time Director & CFO
DIN No. 00234926

CA B.K. Newatia
Partner
Membership No.: 050251
Place : Kolkata
Date: The 17th day of November, 2022.

Anirudh Jhunjhunwala
CEO & Managing Director
DIN No. 00234879

Swati Poddar
CS & Compliance Officer
Membership No. : A49212

J.G.CHEMICALS LIMITED (Formerly known as J.G.Chemicals Private Limited)
CIN: U24100WB2001PLC093380
ANNEXURE -III
RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS
(All amount in INR Millions unless otherwise stated)

Particulars	Period Ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities				
Profit before tax	**485.36**	**574.46**	**411.99**	**191.10**
Adjustment for non cash/ non operating item to reconcile profit before tax to net cash flows :				
Depreciation and amortization	13.26	26.80	23.38	18.64
Loss/(profit) on sale of Property, Plant and Equipment	(0.01)	(1.91)	(0.23)	(0.06)
Dividend Income	(0.10)	(1.13)	(0.94)	(0.16)
Profit on sale of Investments	(7.44)	(10.74)	(12.80)	(0.21)
Net Gain/ (Loss) on Investments measured at fair value through P/L	17.31	(15.23)	(11.35)	3.58
Sundry credit balances written off (net)	2.35	(0.25)	1.30	-
Interest Income	(1.15)	(3.26)	(2.08)	(3.25)
Provision for employee benefits	(3.71)	6.95	0.28	0.75
Prior Period items*	-	-	-	(4.17)
Finance cost	24.52	62.51	50.70	61.66
Operating profit before working capital changes	**530.39**	**638.20**	**460.24**	**267.88**
Movements in working capital :				
Decrease/(increase) in inventories	168.76	(396.25)	(31.03)	268.71
Increase/(decrease) in trade and other payables	17.75	(61.32)	70.87	(10.44)
Decrease/(increase) in trade receivables	(232.16)	(49.76)	(398.40)	(11.29)
Decrease/(increase) in loans and other financial assets and other assets	12.14	94.13	(83.61)	(48.53)
Cash generated from / (used in) operations	**496.89**	**224.99**	**18.08**	**466.33**
Direct taxes paid (net of refunds)	76.80	157.47	91.54	57.66
Net Cash flow from / (used in) operating activities (A)	**420.09**	**67.52**	**(73.46)**	**408.67**
Cash flow from investing activities				
Purchase of Property, Plant and Equipment, including intangible assets, CWIP	(52.33)	(89.72)	(53.80)	(54.05)
Proceeds from sale of Property, Plant and Equipment	0.09	2.85	0.39	0.13
Dividend Income	0.10	1.13	0.94	0.16
Interest Income	1.15	4.20	1.06	1.56
Proceeds from sale of investments	45.48	103.16	149.92	23.19
Payment for purchase of investments	(27.50)	(75.78)	(154.51)	(84.30)
Net Cash flow from / (used in) investing activities (B)	**(33.02)**	**(54.15)**	**(56.00)**	**(113.31)**
Cash flow from financing activities				
Buy Back of Shares (including tax expense)	-	(50.87)	-	-
Proceeds from long-term borrowings	37.42	46.30	16.30	-
Repayment of long-term borrowings	(14.65)	(25.50)	(80.51)	(10.52)
Proceeds/ (Repayment) from short-term borrowings (net)	(423.35)	102.11	284.46	(221.77)
Interest paid	(24.52)	(73.94)	(50.70)	(63.15)
Net Cash flow from / (used in) financing activities (C)	**(425.10)**	**(1.90)**	**169.55**	**(295.44)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(38.03)	11.47	40.09	(0.07)
Cash and cash equivalents at the beginning of the year	58.53	47.06	6.98	7.07
Cash and cash equivalents at the end of the year	**20.50**	**58.53**	**47.06**	**6.98**
Cash and cash equivalents consists of the following:				
Balances with Banks				
In Current Accounts	0.75	18.94	3.76	4.03
In Overdraft Accounts	0.20	34.93	37.49	-
In EEFC Accounts	18.27	3.62	3.86	0.01
Cash on hand	1.28	1.03	1.31	1.92
Foreign Currency in hand	-	-	0.63	1.01
Total cash and cash equivalents	**20.50**	**58.53**	**47.06**	**6.98**

* Refer Note (1) to Annexure -VII

As per our report of even date

For and on behalf of the Board of Directors of J.G.Chemicals Limited (Formerly J.G.Chemicals Pvt. Ltd.)

For S.JAYKISHAN
Chartered Accountants
Firm's Registration Number : 309005E

Suresh Jhunjhunwala
Executive Chairman
DIN No. 00234725

Anuj Jhunjhunwala
Whole time Director & CFO
DIN No. 00234926

CA B.K. Newatia
Partner
Membership No.: 050251
Place : Kolkata
Date: The 17th day of November, 2022.

Anirudh Jhunjhunwala
CEO & Managing Director
DIN No. 00234879

Swati Poddar
CS & Compliance Officer
Membership No. : A49212

J.G.CHEMICALS LIMITED (Formerly known as J.G.Chemicals Private Limited)
CIN: U24100WB2001PLC093380
ANNEXURE -IV
RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amount in INR Millions unless otherwise stated)

A. Equity Share Capital

Particulars	2019-20	2020-21	2021-22	September 30, 2022
Balance at the beginning of the reporting period	12.20	12.20	12.20	12.20
Change in equity share capital during the current period		-	-	305.00
Balance at the end of the reporting period *	12.20	12.20	12.20	317.20

* refer note 19

B. OTHER EQUITY

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium	Capital Reserve arising on consolidation	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2019	**37.80**	**-**	**674.13**	**-**	**711.93**
Profit for the Year	-	-	129.56	-	129.56
Remeasurement Gain/(Loss) (Net of taxes)	-	-	-	-	-
Prior Period Items	-	-	(4.17)	-	(4.17)
Total Comprehensive Income For The Year	-	-	**125.38**	-	**125.38**
Balance as at 31st March, 2020	**37.80**	**-**	**799.51**	**-**	**837.31**
Profit for the Year	-	-	234.38	-	234.38
Remeasurement Gain/(Loss) (Net of taxes)	-	-	-	0.89	0.89
Total Comprehensive Income For The Year	**-**	-	**234.38**	**0.89**	**235.27**
Balance as at 31st March, 2021	**37.80**	**-**	**1,033.89**	**0.89**	**1,072.57**
Profit for the Year	-	-	400.05	-	400.05
Tax Expense on Buy Back of shares	-	-	(9.03)	-	(9.03)
Capital Reserve arising on Consolidation	-	49.60	-	-	49.60
Remeasurement Gain/(Loss) (Net of taxes)	-	-	-	0.78	0.78
Total Comprehensive Income For The Year	**-**	**49.60**	**391.02**	**0.78**	**441.40**
Balance as at 31st March, 2022	**37.80**	**49.60**	**1,424.91**	**1.67**	**1,513.98**
Issue of Bonus shares	(37.80)		(267.20)		(305.00)
Profit for the period	**-**		**346.59**		346.59
Remeasurement Gain/(Loss) (Net of taxes)	**-**			(0.81)	(0.81)
Total Comprehensive Income For The period	**-**	-	**346.59**	**(0.81)**	**345.78**
Balance as at 30th September, 2022*	**-**	**49.60**	**1,504.29**	**0.86**	**1,554.75**

* refer note 20

As per our report of even date

For S.JAYKISHAN
Chartered Accountants
Firm's Registration Number : 309005E

CA B.K. Newatia
Partner
Membership No.: 050251
Place : Kolkata
Date: The 17th day of November, 2022.

For and on behalf of the Board of Directors of J.G.Chemicals Limited (Formerly J.G.Chemicals Pvt. Ltd.)

Suresh Jhunjhunwala
Executive Chairman
DIN No. 00234725

Anuj Jhunjhunwala
Whole time Director & CFO
DIN No. 00234926

Anirudh Jhunjhunwala
CEO & Managing Director
DIN No. 00234879

Swati Poddar
CS & Compliance Officer
Membership No. : A49212

1. COMPANY OVERVIEW

J.G. Chemicals Limited ('the Company') incorporated and registered in Kolkata, West Bengal, India, is a publicly held company engaged in the business of manufacturing of Zinc Oxide.

The Company stands converted from 'Private' to 'Public' as per the Certificate of Incorporation dt. 24th May, 2022 issued by the Registrar of Companies, West Bengal.

The Restated Consolidated Financial Information comprise financial statements of "J.G.Chemicals Limited" ("the Holding Company" or "The Company"), its subsidiaries (collectively referred to as "the Group") for the period ended / year ended 30th September 2022, 31st March, 2022,31st March, 2021 , 31st March, 2020.

These restated consolidated financial information have been approved by the Board of Directors of the Company on 17th November, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Restated Consolidated Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation and Presentation of Restated Consolidated Financial Information

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act and other accounting principles generally accepted in India.

These Restated Consolidated Financial Information of the Group have been prepared by the management for the purpose of inclusion in the draft red herring prospectus ("DRHP"), red herring prospectus ("RHP") and the prospectus ("Prospectus" collectively with DRHP and RHP referred to as "Offer Documents") to be prepared by the Company for filing with the Securities Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, the Registrar of Companies, West Bengal at Kolkata in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended and any rules issued thereunder (the "Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information have been compiled by the Company's management from:
a) Audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the six months period ended September 30, 2022 which have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on November 17, 2022.

b) Audited consolidated Ind AS Financial Statements of the Group as at and for year ended March 31, 2022, prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 18th August, 2022.

c) Audited Special purpose consolidated financial statements of the Group as at and for years ended March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 16th September, 2022. The financial information for the years ended March 31, 2021 and March 31, 2020 included in the special purpose consolidated Ind AS financial statements are based on the previously issued statutory consolidated financial statements prepared for the years ended March 31, 2021 and March 31, 2020 in accordance with the Companies (Accounting Standard) Rules, 2006 & audited and reported by erstwhile statutory auditor M/s B. Chhawchharia & Co., Chartered Accountants having firm registration number 305123E who has issued an unmodified audit opinion vide audit reports dated 25th October, 2021 and 3rd December,2020 respectively and which has been translated into figures as per Ind AS after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company.

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note No. 46. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2019, as required by Ind- AS 101.

(ii) Basis of Consolidation

The restated consolidated financial information have been prepared on the following basis:

Investment in Subsidiary

The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.
Profits or losses resulting from intra-group transactions that are recognised in assets are eliminated in full.
There is no difference in accounting policies of the Holding Company and its subsidiaries.

The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The carrying amount of the parent's investment in the subsidiary is offset (eliminated) against the parent's portion of equity in the subsidiary.
Non-Controlling Interest's share of profit/loss of the consolidated subsidiary for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
Non-Controlling Interest's share of net assets of the consolidated subsidiary is identified and presented in the Consolidated Balance Sheet.

Statement showing percentage holding of the Company in its Subsidiaries:

SL.No.	Name of Subsidiary	Sept 30, 2022		Year 2022		Year 2021		Year 2020	
		No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
1	BDJ Oxides Pvt. Ltd	2,50,000	94.13%	2,50,000	94.13%	2,50,000	75.30%	2,50,000	75.30%
2	BDJ Speciality Chemicals Pvt. Ltd.	17,40,000	99.43%	17,40,000	99.43%	17,40,000	99.43%	17,40,000	99.43%

(iii) Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except certain financial assets and liabilities that is measured at fair value;

(iv) Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

(v) Fair value measurements

Fair value is the price that would be received on sale of an asset or paid on derecognition of a liability in an orderly transaction between market participants at the measurement date under current market conditions.
The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurements.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. available prices) or indirectly (i.e. derived from estimation).

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is applicable to listed instruments where market is not liquid and for unlisted instruments.

The management considers the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognized in the financial statements are at their approximate fair value as on September 30,2022 , March 31, 2022, March 31, 2021, March 31, 2020 .

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

(vi) Functional and Presentation currency

These financial statements are presented in Indian Rupees (INR) (in millions), which is the Company's functional and presentation currency.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash at banks and on hand, and fixed deposits which are subject to an insignificant risk of change in value.

(c) Accounting for Taxes on Income

Income Tax expense or credit for the period is the tax payable on the current period taxable income based on the applicable Income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

(ii) Deferred Tax

Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and

unused tax credits.
Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(d) PROPERTY, PLANT AND EQUIPMENT

(i) Tangible Assets

Recognition and Measurement

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less any accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Subsequent Measurement

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Depreciation and Amortization

Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation. The estimated useful lives of assets for the current period are as follows:

Category	Useful Life
Factory Shed & Building	30 Years
Plant & Machinery (Continuous process plant)	25 Years
Plant & Machinery (General)	15 Years
Furniture & Fixtures	10 Years
Office Equipments	5 Years
Computers & Devices	3 Years
Vehicles-Motor Car	8 Years

Depreciation on additions/ disposals during the year is provided on a pro-rata basis i.e., from/ up to the date on which asset is ready for use/ disposed of.
Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as of 1 April, 2019 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production/ use.

(e) Intangible Assets

Intangible assets are stated at cost of acquisition/deemed cost on transition date, comprising of purchase price less accumulated amortization and impairment losses, if any. Depreciable amount of such assets, are allocated on systematic basis on the best estimates on straight line method.

Cost of software including directly attributable cost, if any, acquired for internal use, is allocated / amortized over a period of 3-5 years (being estimated useful life thereof) on straight line method.

(f) Inventory

Inventories are valued at lower of the cost or net realizable value. Cost is ascertained on 'FIFO' basis. Materials and other supplies held for use in the production are not written down below cost if the finished products in which they will be utilised are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost, and includes appropriate portion of overheads.

(g) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when the Company satisfies the performance obligation by transferring the promised goods or service to a customer.

(i) Sales

Revenue from Sale of goods is recognised at the fair value of consideration received or receivable when the significant risk and rewards of goods ownership have been transferred. Revenue from Sales of Services has been recognised by reference to the stage of completion of the services provided at the end of the reporting date.

(ii) Interest Income

Interest income is recognised using the effective interest rate.

(iii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(iv) Export Benefits

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when realised.

(v) Income from investment

Profit / (loss) earned from sale of securities is recognised on the trade date.

(vi) All other income is accounted for on accrual basis when right to receive is established unless otherwise specified.

(h) Employee Benefits

Short-term Employee Benefits are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

Post-Employment benefit includes:

Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Other costs recognised in the Statement of Profit or Loss.

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value and in the case of financial assets not recorded at fair value through profit or loss, at the transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:
(i) Measured at Amortized Cost;
(ii) Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
(iii) Measured at Fair Value Through Profit or Loss (FVTPL);
(iv) Equity Instruments are measured at Fair Value Through Profit and Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.
Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
(i) the asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
(i) the objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
(ii) the asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss.
(i) Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes

recognized in the statement of profit and loss.
(ii) Equity Instruments measured at FVTPL: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. All other equity instruments are also classified as at FVTPL.

Derecognition
The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset substantially with all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets
A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.
The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

Write-off policy
The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

(ii) Financial Liabilities
Recognition and Initial Measurement:
Financial liabilities are classified, at initial recognition, at fair value through profit or loss - loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
Subsequent Measurement:
Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.
Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

(iii) Derivatives Financial Instruments
The Company uses forwards & options derivative financial instruments commodity contracts to mitigate the risk of changes in commodity prices. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently 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. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.
Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair value hedge:
Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively.

Cash flow hedge
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of Profit and Loss.

Others
Changes in fair value of foreign currency derivative instruments not designated as hedges are recognized in the profit and loss account.

(j) Investment in subsidiaries
The Company accounts for its investments in subsidiaries at cost less accumulated impairment, if any.

(k) Insurance Claims
Insurance claims are accounted as and when admitted/settled.

(l) Borrowings Cost
Borrowing costs comprises interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying fixed assets which are capitalized. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

In respect of foreign currency borrowings, where the interest rate of the borrowing is less than the commercial interest rate prevailing in the local currency borrowing, the resultant exchange loss on account of Foreign Exchange is included in the borrowing cost to the extent it does not exceed the difference between the cost of borrowing in functional currency when compared to the cost of borrowing in a foreign currency.

(m) Foreign Currency Transaction
Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of Profit and Loss account. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

(n) Government Grant
Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under “Other Income” or deducted from the related expenses. Grants relating to fixed assets are credited to Deferred Income.

Account, as and when the ultimate reliability of such grants is established. Grant relating to non-depreciable assets is credited to Statement of Profit and Loss Account over the periods that bear the cost of meeting the obligations related to such grants.

(o) Earning per Share
Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(p) Impairment of non-financial assets
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(q) Provision, Contingent Liabilities and Contingent Assets, legal or constructive
Provisions involving substantial degree of estimation in measurement are recognized at discounted amount (other than current) when there is a legal or constructive obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or 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. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

(r) Critical estimates and judgements
The Company makes estimates and assumptions that affect the amounts recognised in the Restated Consolidated Financial Information, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have most significant effect on the amount recognised in the Restated Consolidated Financial Information and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following;

(i) Depreciation and amortization

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges.

(ii) Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance and credit-worthiness of the trade receivables. If the financial conditions of the trade receivable deteriorate, actual write-offs would be higher than estimated.

(iii) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

(iv) Deferred Tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the Company.

(v) Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

(vi) Employee Benefits

The present value of the defined benefit obligations and long-term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

(s) Recent Indian Accounting Standards (Ind AS)/ Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

(All amount in INR Millions unless otherwise stated)

3. Property, Plant and Equipment:

Particulars	Freehold land	Factory Shed & Building	Furniture and Fixtures	Vehicles	Plant, Machinery and Equipments	Office Equipments	Computers	Total
Gross Block								
As at April 1, 2022	41.08	87.49	6.47	15.47	120.91	16.56	1.95	**289.93**
Additions		41.92	0.21	-	70.10	12.12	0.30	**124.65**
Disposal					(0.41)			**(0.41)**
As at September 30, 2022	**41.08**	**129.41**	**6.68**	**15.47**	**190.60**	**28.68**	**2.25**	**414.19**
Accumulated Depreciation								
As at April 1, 2022	-	19.67	2.41	6.00	28.23	8.66	1.32	**66.29**
Charge for the period	-	3.47	0.52	1.46	6.13	1.37	0.26	**13.22**
Adjustments					(0.33)			**(0.33)**
As at September 30, 2022	**-**	**23.14**	**2.93**	**7.46**	**34.03**	**10.04**	**1.58**	**79.18**
Net carrying amount								
As at September 30, 2022	**41.08**	**106.27**	**3.75**	**8.01**	**156.57**	**18.64**	**0.67**	**335.01**
Gross Block								
As at April 1, 2021	30.86	87.04	5.02	6.53	120.00	14.44	1.34	265.22
Additions	10.22	0.78	1.44	8.95	3.16	2.12	0.61	27.30
Disposal	-	(0.33)	-	-	(2.26)	-	-	(2.59)
As at March 31, 2022	**41.08**	**87.49**	**6.47**	**15.47**	**120.91**	**16.56**	**1.95**	**289.93**
Accumulated Depreciation								
As at April 1, 2021	-	12.97	1.44	3.00	17.43	5.77	0.74	41.35
Charge for the period	-	6.97	0.97	2.99	12.31	2.90	0.58	26.72
Disposal	-	(0.27)	-	-	(1.51)	-	-	(1.78)
As at March 31, 2022	**-**	**19.67**	**2.41**	**6.00**	**28.23**	**8.66**	**1.32**	**66.29**
Net carrying amount								
As at March 31, 2022	**41.08**	**67.82**	**4.06**	**9.48**	**92.68**	**7.89**	**0.63**	**223.65**
Gross Block								
As at April 1, 2020	15.59	81.19	3.26	5.25	99.94	13.39	0.92	219.55
Additions	15.27	5.85	1.76	1.42	20.06	1.05	0.41	45.81
Disposal	-	-	-	(0.14)	-	-	-	(0.14)
As at March 31, 2021	**30.86**	**87.04**	**5.02**	**6.53**	**120.00**	**14.44**	**1.34**	**265.22**
Accumulated Depreciation								
As at April 1, 2020	-	5.79	0.79	1.63	6.77	2.64	0.43	18.05
Charge for the period	-	7.18	0.65	1.38	10.66	3.12	0.31	23.30
As at March 31, 2021	**-**	**12.97**	**1.44**	**3.00**	**17.43**	**5.77**	**0.74**	**41.35**
Net carrying amount								
As at March 31, 2021	30.86	74.07	3.59	3.52	102.57	8.67	0.60	223.87

(All amount in INR Millions unless otherwise stated)

3. Property, Plant and Equipment:

Particulars	Freehold land	Factory Shed & Building	Furniture and Fixtures	Vehicles	Plant, Machinery and Equipments	Office Equipments	Computers	Total
Gross Block								
As at April 1, 2019	15.59	48.52	2.88	5.18	41.17	7.22	0.60	121.16
Additions	-	32.67	0.38	0.07	59.24	6.17	0.33	98.87
Disposal	-	-	-	-	(0.47)	-	-	(0.47)
As at March 31, 2020	**15.59**	**81.19**	**3.26**	**5.25**	**99.94**	**13.39**	**0.92**	**219.55**
Accumulated Depreciation								
As at April 1, 2019	-	-	-	-	-	-	-	-
Charge for the period	-	5.79	0.79	1.63	7.26	2.64	0.43	18.54
Disposal	-	-	-	-	(0.49)	-	-	(0.49)
As at March 31, 2020	**-**	**5.79**	**0.79**	**1.63**	**6.77**	**2.64**	**0.43**	**18.05**
Net carrying amount								
As at March 31, 2020	**15.59**	**75.40**	**2.47**	**3.63**	**93.18**	**10.75**	**0.49**	**201.50**

(All amount in INR Millions unless otherwise stated)

4 Capital-Work-in Progress (CWIP):

CWIP	Amount in CWIP as at 30th September, 2022				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Project in progress	1.20	-	-	-	**1.20**
Project temporarily suspended	-	-	-	-	**-**

CWIP	Amount in CWIP as at 31st March, 2022				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Project in progress	73.79	-	-	-	**73.79**
Project temporarily suspended	-	-	-	-	**-**

CWIP	Amount in CWIP as at 31st March, 2021				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Project in progress	0.37	-	-	-	**0.37**
Project temporarily suspended	-	-	-	-	**-**

CWIP	Amount in CWIP as at 31st March, 2020				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Project in progress	2.18	1.16	-	-	**3.34**
Project temporarily suspended	-	-	-	-	**-**

5 Other Intangible Assets

Particulars	Gross Block As at April 1, 2022	Additions	Gross Block as at Sep 30, 2022	Accumulated Depreciation As at April 1, 2022	Charge for the period	Cumulative Depreciation as at Sep 30, 2022	Net carrying amount As at September, 2022	Net carrying amount As at 31st March 2022
Computer Softwares	**0.44**	**-**	**0.44**	**0.27**	**0.04**	**0.31**	**0.14**	**0.17**

Particulars	Gross Block As at April 1, 2021	Additions	Gross Block as at March 31, 2022	Accumulated Depreciation As at April 1, 2021	Charge for the period	Cumulative Depreciation as at March 31, 2022	Net carrying amount As at March 31, 2022	Net carrying amount As at 31st March 2021
Computer Softwares	**0.44**	**-**	**0.44**	**0.19**	**0.08**	**0.27**	**0.17**	**0.25**

Particulars	Gross Block As at April 1, 2020	Additions	Gross Block as at March 31, 2021	Accumulated Depreciation As at April 1, 2020	Charge for the period	Cumulative Depreciation as at March 31, 2021	Net carrying amount As at March 31, 2021	Net carrying amount As at 31st March 2020
Computer Softwares	**0.44**	**-**	**0.44**	**0.10**	**0.08**	**0.19**	**0.25**	**0.34**

Particulars	Gross Block As at April 1, 2019	Additions	Gross Block as at March 31, 2020	Accumulated Depreciation As at April 1, 2019	Charge for the period	Cumulative Depreciation as at March 31, 2020	Net carrying amount As at March 31, 2020	Net carrying amount As at 1st April 2019
Computer Softwares	**0.09**	**0.35**	**0.44**	**-**	**0.10**	**0.10**	**0.34**	**0.09**

(All amount in INR Millions unless otherwise stated)

6. Investments

Particulars	As on 30th September 2022		As on 31st March 2022		As on 31st March 2021		As on 31st March 2020	
	Quantity/ Units	Amount	Quantity/ Units	Amount	Quantity/ Units	Amount	Quantity/ Units	Amount
(A) Investment in Equity Instrument								
At Fair Value through P&L								
Quoted (fully paid-up)								
Ambuja Cements Ltd. (FV Rs. 2)	-	-	-	-	3,260	1.01	-	-
Apcotex Industries Ltd. (FV Rs. 2)	-	-	-	-	5,000	0.90	-	-
Apollo Tyres Ltd. (FV Re. 1)	-	-	-	-	4,000	0.89	-	-
Bajaj Electricals Ltd. (FV Rs. 2)	-	-	-	-	172	0.17	-	-
Bajaj Consumer Care Ltd. (FV Re. 1)	-	-	-	-	-	-	3,649	0.48
Balkrishna Industries Ltd (FV Rs. 2)	1,250	2.35	1,250	2.67	1,750	2.95	-	-
Bharat Heavy Electricals Ltd. (FV Rs. 2)	-	-	20,000	0.99	20,000	0.98	-	-
Bluestar Ltd. (FV Rs. 2)	-	-	-	-	500	0.47	-	-
Borosil Ltd. (FV Re.1)	-	-	10,500	3.47	11,222	1.89	-	-
Borosil Renewables Ltd (FV Rs. 1)	-	-	6,300	3.66	8,554	2.11	-	-
Bharat Petroleum Corporation Ltd. (FV Rs. 10)	-	-	-	-	350	0.15	350	0.11
Britannia Industries Ltd (FV Re. 1)	-	-	-	-	-	-	219	0.59
BSE Ltd (FV Rs. 2)	-	-	1,500	1.42	1,000	0.57	-	-
Century Enka Ltd. (FV. Rs. 10)	-	-	2,125	1.18	2,125	0.54	-	-
CG Power & Industrial Solutions Ltd. (FV. Rs. 2)	-	-	9,750	1.85	-	-	-	-
Chambal Fertilisers & Chemicals Ltd. (FV. Rs. 10)	-	-	6,203	2.62	10,873	2.49	-	-
CIPLA Ltd. (FV Rs. 2)	-	-	840	0.86	840	0.68	-	-
Coal India Ltd. (FV Rs. 10)	-	-	-	-	-	-	16,200	2.27
Dwarikesh Sugar Industries Ltd. (FV Re.1)	-	-	7,000	0.88	-	-	-	-
Dilip Buildcon Ltd. (FV Rs. 10)	-	-	-	-	1,000	0.58	-	-
Eicher Motor Ltd. (FV Re. 1)	-	-	-	-	-	-	17	0.22
Electrosteel Casting Ltd. (FV Re. 1)	-	-	68,000	2.68	-	-	-	-
Garden Reach Ship Builders & Engineers Ltd. (FV Rs. 10)	-	-	-	-	2,405	0.44	-	-
Gravita India Ltd. (FV Rs. 2)	-	-	1,250	0.40	5,000	0.45	-	-
Gujarat Mineral Development Corporation Ltd. (FV Rs. 2)	-	-	13,630	2.59	-	-	-	-
Hindustan Aeronautics Ltd. (FV Rs. 10)	-	-	350	0.52	350	0.35	-	-
HDFC Bank Ltd. (FV Re. 1)	-	-	-	-	48	0.07	298	0.26
Hindustan Copper Ltd. (FV Rs. 5)	-	-	-	-	6,500	0.78	-	-
Hindustan Unilever Ltd. (FV Re.1)	-	-	-	-	250	0.61	250	0.57
HDFC Ltd. (FV Rs. 2)	-	-	-	-	-	-	233	0.38
HSIL Ltd. (FV Rs. 2)	-	-	3,500	1.04	-	-	-	-
ICICI Bank Ltd. (FV Rs. 2)	-	-	-	-	-	-	945	0.31
Insecticides (India) Ltd. (FV Rs. 10)	-	-	-	-	2,777	1.32	-	-
Indian Oil Corporation Ltd. (FV Rs. 10)	-	-	-	-	3,700	0.34	23,700	1.94
Indian Railway Finance Corporation Ltd. (FV Rs. 10)	-	-	-	-	3,437	0.08	-	-
ITC Ltd. (FV Re. 1)	-	-	-	-	2,128	0.46	2,128	0.37
Jindal Steel & Power Ltd. (FV Re. 1)	-	-	-	-	-	-	10,000	0.82
JK LAKSHMI Cement Ltd. (FV Rs. 5)	1,500	0.88	1,500	0.71	1,500	0.65	-	-
JSW Steel Ltd. (FV Re. 1)	-	-	665	0.49	665	0.31	-	-
KNR Constructions Ltd. (FV Rs.2)	-	-	-	-	2,088	0.45	518	0.10
Kotak Mahindra Bank Ltd. (FV Rs.5)	413	0.75	413	0.72	413	0.72	413	0.54
La Opala RG Ltd. (FV Rs. 2)	-	-	16,500	5.73	7,091	1.57	2,576	0.38
Larsen & Toubro Ltd. (FV Rs. 2)	-	-	-	-	-	-	772	0.62
Lakshmi Machines Works Ltd. (FV Rs. 10)	-	-	110	1.06	-	-	-	-
Maithan Alloys Ltd. (FV Rs. 10)	-	-	2,785	3.70	-	-	-	-
Maruti Suzuki India Ltd. (FV Rs. 5)	-	-	-	-	422	2.89	422	1.81
Mazagon Dock Ship Builders Ltd. (FV Rs. 10)	-	-	-	-	500	0.11	-	-
Mishra Dhatu Nigam Ltd. (FV Rs.10)	-	-	-	-	550	0.10	-	-
MRF Ltd. (FV Rs. 10)	-	-	-	-	75	6.17	90	5.24
Multi Commodity Exchange of India Ltd. (FV Rs. 10)	-	-	-	-	-	-	47	0.05
Mahindra & Mahindra Ltd. (FV Rs. 5)	-	-	-	-	-	-	2,000	0.57
Motherson Sumi Systems Ltd. (FV Re. 1)	-	-	-	-	-	-	25,000	1.53
Narayana Hrudayalaya Ltd. (FV Rs. 10)	-	-	1,000	0.75	-	-	-	-
National Aluminium Ltd. (FV Rs. 5)	-	-	69,500	8.47	-	-	-	-
NIIT Ltd. (FV Rs. 2)	-	-	-	-	2,500	0.34	-	-
NOCIL Ltd. (FV Rs.10)	12,360	3.76	14,860	3.70	19,860	3.47	17,680	1.18

(All amount in INR Millions unless otherwise stated)

6. Investments

Particulars	As on 30th September 2022		As on 31st March 2022		As on 31st March 2021		As on 31st March 2020	
	Quantity/ Units	Amount	Quantity/ Units	Amount	Quantity/ Units	Amount	Quantity/ Units	Amount
Oriental Aromatics Ltd. (FV Rs. 5)	-	-	-	-	3,535	2.07	-	-
Orient Cement Ltd. (FV Re. 1)	-	-	-	-	15,000	1.47	-	-
Pokrana Ltd. (FV Rs. 2)	-	-	2,750	2.05	-	-	-	-
Power Finance Corporation Ltd. (FV Rs. 10)	-	-	-	-	9,450	1.07	-	-
Rites Ltd. (FV Rs. 10)	-	-	-	-	1,601	0.39	-	-
Rail Vikas Nigam Ltd. (FV Rs. 10)	-	-	-	-	21,823	0.64	14,692	0.19
Reliance Industries Ltd. (FV Rs. 10)	-	-	-	-	-	-	1,607	1.79
Rites Ltd. (FV Rs. 10)	-	-	-	-	-	-	903	0.22
Sicra Paints India Ltd. (FV Rs. 10)	-	-	1,000	0.46	-	-	-	-
Sail Authority of India Ltd. (FV Rs.10)	-	-	-	-	1,300	0.10	-	-
Siemens Ltd. (FV Rs. 2)	-	-	-	-	535	0.99	-	-
SRF Ltd. (FV Rs. 10)	-	-	460	1.23	92	0.50	-	-
State Bank of India Ltd. (FV Re. 1)	-	-	-	-	-	-	3,070	0.60
SBI Cards and Payment Services Ltd. (FV Rs. 10)	-	-	-	-	-	-	765	0.47
Srikalahasthi Pipes Ltd. (FV Rs. 10)	-	-	-	-	-	-	2,652	0.29
United Spirits Ltd. (FV Rs. 2)	-	-	2,000	1.78	2,000	1.11	-	-
Tata Steel Ltd. (FV Rs.10)	-	-	299	0.39	394	0.32	166	0.04
Tata Consultancy Services Ltd. (FV Re. 1)	-	-	88	0.33	88	0.28	88	0.16
The Indian Hotel Co. Ltd. (FV Re. 1)	-	-	10,000	2.39	9,000	1.00	-	-
Thirumala Chemicals Ltd. (FV Re. 1)	-	-	8,500	2.26	-	-	-	-
Voltas Limited Ltd.(FV Re. 1)	-	-	-	-	1,250	1.25	-	-
West Coast Paper Mills Ltd. (FV Rs. 2)	-	-	2,000	0.67	2,000	0.48	-	-
Yes Bank Ltd. (FV Rs. 2)	-	-	-	-	1,10,000	1.72	-	-
Sub - Total (i)		**7.74**		**63.68**		**51.46**		**24.11**
(B) Unquoted (Fully Paid)								
At Fair Value through P&L								
Swarnim Complex Private Limited (FV Rs. 10)	10,000	0.10	10,000	0.10	-	-	-	-
		0.10		**0.10**		**-**		**-**
(C) Investement in Mutual Funds								
Unquoted								
At Fair Value through P&L								
Baroda Equity Savings Fund - Regular Growth	-	-	-	-	99,985	1.17	99,985	1.00
HDFC Liquid Fund - Direct Plan - Growth Option	-	-	-	-	1,448	5.82	2,798	10.93
HDFC Mid Cap Opportunities Fund Growth-Direct Plan	-	-	-	-	8,444	0.66	8,444	0.35
HDFC Small Cap Fund - Direct Growth Plan	53,693	4.53	53,692.83	4.21	1,11,384	6.43	1,11,384	3.13
ICICI Prudential Liquid Fund - (G)	48,586	15.55	48,586	15.21	68,450	20.74	25,372	7.42
Mirae Assets Hang Seng Tech ETF FOR-DIR-Growth	2,18,903	1.40	2,18,903	1.68	-	-	-	-
IDFC Bond Fund - Medium Term Plan Regular Growth	-	-	-	-	-	-	76,539	2.61
IDFC Corporate Bond Fund Regular Plan Growth	-	-	-	-	-	-	1,86,962	2.58
IDFC Credit Risk Fund Regular Plan Growth	-	-	-	-	-	-	2,09,296	2.58
ICICI Prudential Liquid Fund Direct Plan Growth	85,943	27.71	-	-	-	-	-	-
Kotal Liquid Regular Plan Growth	-	-	-	-	-	-	647	2.59
Nippon India ETF Nifty Bees	-	-	-	-	-	-	2,585	0.24
Sub-total (ii)		**49.19**		**21.10**		**34.82**		**33.42**
Total Investment at FVTPL		**57.03**		**84.88**		**86.28**		**57.54**
Aggregate amount of Quoted Investments at Fair value		7.74		63.68		51.46		24.11
Aggregate amount of Investments in Mutual Funds at Fair value		49.19		21.10		34.82		33.42
Aggregate amount of Unquoted Investments		0.10		0.10		-		-
		57.03		**84.88**		**86.28**		**57.54**

(All amount in INR Millions unless otherwise stated)

7	**Other Non-Current Financial Assets**	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Unsecured, considered good				
(a)	Security Deposit	5.85	4.86	3.97	4.45
(b)	Fixed Deposits with Banks with more than 12 months maturity*	3.79	3.79	3.18	3.18
(c)	Interest accured on fixed deposits	0.22	0.25	0.56	0.36
		9.86	**8.90**	**7.71**	**7.99**

*Under Lien with bank against Cash Credit & Bank Guarantees.

8	**Deferred Tax Assets / (Liabilities) (net)**	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Deferred Tax Assets				
	Timing Difference on account of Provision for employees benefits	1.52	1.13	0.98	0.88
	Derivative instruments designated at fair value through P&L	-	2.64	-	-
	Financial Assets at Fair Value Through Profit and Loss			-	0.39
		1.52	**3.77**	**0.98**	**1.27**
	Deferred Tax Laibility				
	Timing Difference on account of Property, Plant & Equipment	2.41	1.04	0.89	0.03
	Financial Assets at Fair Value Through Profit and Loss	0.71	2.41	0.90	-
	Derivative instruments designated at fair value through P&L	2.95	-	0.38	0.18
		6.07	**3.45**	**2.17**	**0.21**
	Deferred Tax Assets/ (Liabilities) (net)	**(4.55)**	**0.32**	**(1.19)**	**1.06**

Movement In Deferred tax assets and liabilities during the period ended 30th September 2022, 31st March 2022, 31st March 2021 and 31st March, 2020

Particulars	**Opening Balance**	**Recognised in statement of P&L**	**Recognised in OCI**	**Closing Balance**
As at 30th September 2022				
Deferred Tax Assets				
Timing Difference on account of Provision for employees benefits	1.13	0.12	(0.27)	1.52
	1.13	**0.12**	**(0.27)**	**1.52**
Deferred Tax Liability				
Timing Difference on account of Property, Plant & Equipment	1.04	1.37	-	2.41
Financial Assets at Fair Value Through Profit and Loss	2.41	(1.70)	-	0.71
Derivative instruments designated at fair value through P&L	(2.64)	5.59	-	2.95
	0.81	**5.26**	**-**	**6.07**
	0.32	**(5.14)**	**(0.27)**	**(4.55)**
As at 31st March 2022				
Deferred Tax Assets				
Timing Difference on account of Provision for employees benefits	0.98	0.43	(0.28)	1.13
	0.98	**0.43**	**(0.28)**	**1.13**
Deferred Tax Liability				
Timing Difference on account of Property, Plant & Equipment	0.89	(0.15)	-	1.04
Financial Assets at Fair Value Through Profit and Loss	0.90	(1.51)	-	2.41
Derivative instruments designated at fair value through P&L	0.38	3.02	-	(2.64)
	2.17	**1.36**	**-**	**0.81**
	(1.19)	**1.79**	**(0.28)**	**0.32**
As at 31st March 2021				
Deferred Tax Assets				
Timing Difference on account of Property, Plant & Equipment	(0.03)	(0.87)	-	(0.89)
Timing Difference on account of Provision for employees benefits	0.88	0.41	(0.32)	0.98
	0.86	**(0.45)**	**(0.32)**	**0.09**
Deferred Tax Liability				
Financial Assets at Fair Value Through Profit and Loss	(0.39)	(1.29)	-	0.90
Derivative instruments designated at fair value through P&L	0.18	(0.19)	-	0.38
	(0.21)	**(1.48)**	**-**	**1.28**
	1.06	**(1.93)**	**(0.32)**	**(1.19)**
As at 31st March 2020				
Deferred Tax Assets				
Timing Difference on account of Property, Plant & Equipment	1.15	(1.18)	-	(0.03)
Timing Difference on account of Provision for employees benefits	0.80	0.09	-	0.88
Derivative instruments designated at fair value through P&L	0.71	(0.89)	-	(0.18)
Financial Assets at Fair Value Through Profit and Loss	-	0.39		0.39
	2.65	**(1.59)**	**-**	**1.06**
Deferred Tax Liability				

Timing Difference on account of Provision of Employee Benefits	-	-		-
Timing Difference on account of Property, Plant & Equipment	-	-		-
	-	**-**	**-**	**-**
	2.65	**(1.59)**	**-**	**1.06**

	9 Non-Current Tax Assets	**As at September 30, 2022**	**As at Mar 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	Advance Tax and TDS (Net of Provisions)	0.13	0.19	4.60	9.14
		0.13	**0.19**	**4.60**	**9.14**

	10 Other Non-Current Assets	**As at September 30, 2022**	**As at Mar 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	Balance with statutory authorities	4.13	4.13	4.13	4.55
(b)	Advances for capital goods	17.55	8.12	10.59	14.44
(c)	Prepaid Expenses	0.17	0.11	0.27	0.45
		21.86	**12.36**	**14.99**	**19.44**

	11 Inventories	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	Raw Materials	419.82	588.67	313.58	257.29
(b)	Finished Goods*	273.46	270.18	160.83	188.12
(c)	Stores and Consumables	15.42	16.75	9.99	4.71
(e)	Power & Fuel	5.19	7.07	2.00	1.85
		713.89	**882.66**	**486.41**	**455.38**
	* includes stock lying with third party	6.46	7.43	6.49	6.83

12 Trade Receivables	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Unsecured, considered good	1,177.52	947.71	897.95	499.55
	1,177.52	**947.71**	**897.95**	**499.55**

Trade Receivables ageing schedule :

Particulars	**Outstanding for following periods from date of transaction**					
	Less than 6 months	**6 months - 1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
For the period ended 30th September 2022						
(i) Undisputed - Considered Good	1,167.09	7.87	0.38	2.18	-	**1,177.52**
For the year ended 31st March 2022						
(i) Undisputed - Considered Good	938.07	4.54	2.75	-	2.35	**947.71**
For the year ended 31st March 2021						
(i) Undisputed - Considered Good	887.89	7.17	-	-	2.89	**897.95**
For the year ended 31st March 2020						
(i) Undisputed - Considered Good	496.67	-	-	0.33	2.56	**499.55**

	13 Cash and Cash Equivalents	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	**Balances with Banks:**				
	- In Current Accounts	0.75	18.94	3.76	4.03
	- In Overdraft Accounts	0.20	34.93	37.49	-
	- In EEFC Accounts	18.27	3.62	3.86	0.01
(b)	Cash on hand	1.28	1.03	1.31	1.92
(c)	Foreign Currency in hand	-	-	0.63	1.01
		20.50	**58.53**	**47.06**	**6.98**

14 Bank Balances other than Cash and cash equivalents	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Balance with Banks in Deposit Accounts*	0.24	22.08	4.46	0.04
	0.24	**22.08**	**4.46**	**0.04**
*under Lien with Bank against SBLCs.	-	21.96	-	-

(All amount in INR Millions unless otherwise stated)

15 Loans

		As at September 30, 2022	As at March 31, 2022	As at Mar 31, 2021	As at March 31, 2020
	Unsecured, considered good				
(a)	Loans & Advances to Related Party	18.73	17.60	15.00	7.20
(b)	Loans & Advances to other body corporate	-	-	4.50	10.00
		18.73	**17.60**	**19.50**	**17.20**

Details of Loan and advances in the nature of loans granted to promoters, directors, KMPs and related parties

Types of Borrower	Amount of loan or advance in the nature of loan outstanding				% of the total Loans and Advances in the nature of loans			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Related Parties	18.73	17.60	15.00	7.20	100%	100%	77%	41.86%

16 Other Current Financial Assets

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a)	Margin money/ Balances with broker	87.57	71.46	43.68	42.17
(b)	Earnest Money deposit	5.71	12.60	2.09	0.85
(c)	Advances to employees	1.80	1.85	1.96	1.65
(d)	Interest Receivables	0.85	1.49	2.12	1.29
(e)	Rent Receivables	0.07	0.07	0.07	0.07
(f)	Derivative Assets at fair value through profit and loss (net)	12.65	-	1.49	0.73
(g)	Others receivables*	2.00	1.75	0.04	-
		110.65	**89.22**	**51.44**	**46.75**

*Other receivables includes Dividend receivable

17 Current Tax Assets (net)

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a)	Advance Income Tax and Tax deducted at source (net of provisions)	-	-	-	0.18
		-	**-**	**-**	**0.18**

18 Other Current assets

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a)	Balance with statutory/ government authorities	27.75	88.00	56.25	43.42
(b)	Advances for goods and services	165.51	126.65	189.01	117.04
(c)	Prepaid expenses	2.78	4.70	2.49	1.75
(d)	Others	-	-	1.14	0.04
		196.04	**219.35**	**248.90**	**162.26**

19 Equity Share Capital

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a)	**Authorised:**				
	3,70,00,000 Equity Shares of Rs. 10/- each (15,00,000 Equity Shares as on 31/03/2022, 31/03/2021 and 31/03/2020)	370.00	15.00	15.00	15.00
		370.00	**15.00**	**15.00**	**15.00**
(b)	**Issued, Subscribed and Fully Paid Up:**				
	3,17,20,000 Equity Shares of Rs. 10/- each (12,20,000 Equity Shares as on 31/03/2022, 31/03/2021 and 31/03/2020)	317.20	12.20	12.20	12.20
		317.20	**12.20**	**12.20**	**12.20**

(c) **Share Capital Reconciliation:**

Equity Share Capital:	**As at 30th September 2022**		**As at 31st March 2022**		**As at 31st March 2021**		**As at 31st March 2020**	
	Nos.	**Amount**	**Nos.**	**Amount**	**Nos.**	**Amount**	**Nos.**	**Amount**
Opening balance	12,20,000	12.20	12,20,000	12.20	12,20,000	12.20	12,20,000	12.20
Issued during the period*	3,05,00,000	305.00	-	-	-	-		
Closing Balance	**3,17,20,000**	**317.20**	**12,20,000**	**12.20**	**12,20,000**	**12.20**	**12,20,000**	**12.20**

*Pursuant to a resolution of the Board of Directors dated 25th May, 2022 and after shareholders' approval in the EOGM dated 31st May, 2022, the Company has issued 25 (twenty five) bonus shares of face value of Rs. 10 (Rupees Ten) each for every 1 (One) existing fully paid-up equity share of face value of Rs. 10 (Rupees Ten) each on 21st June, 2022, by capitalisation of its reserves & surplus.

(All amount in INR Millions unless otherwise stated)

(d) **Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date:**

Name of Shareholder	As at 30th September 2022		As at 31st March 2022		As at 31st March 2021		As at 31st March 2020	
	Nos	% holding	Nos	% holding	Nos	% holding	Nos	% holding
Alka Jhunjhunwala	41,60,000	13.11%	1,60,000	13.11%	1,60,000	13.11%	1,60,000	13.11%
Anirudh Jhunjhunwala	41,60,000	13.11%	1,60,000	13.11%	1,60,000	13.11%	1,60,000	13.11%
Anuj Jhunjhunwala	39,00,000	12.30%	1,50,000	12.30%	1,50,000	12.30%	1,50,000	12.30%
Suresh Jhunjhunwala	39,00,000	12.30%	1,50,000	12.30%	1,50,000	12.30%	1,50,000	12.30%
Vision Projects & Finvest Pvt. Ltd.	36,40,000	11.48%	1,40,000	11.48%	1,40,000	11.48%	1,40,000	11.48%
Jayanti Commercial Ltd.	31,85,000	10.04%	1,22,500	10.04%	1,22,500	10.04%	1,22,500	10.04%
Eeshwar Fiscal Services Pvt. Ltd.	29,25,000	9.22%	1,12,500	9.22%	1,12,500	9.22%	1,12,500	9.22%
Alkan Fiscal Services Pvt. Ltd.	26,00,000	8.20%	1,00,000	8.20%	1,00,000	8.20%	1,00,000	8.20%

(e) **Rights, Preferences and Restrictions attached to shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. The Company declares and pays dividends in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of Shareholders in the Annual General Meeting. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) No shares have been reserved for issue under options and contracts / commitments for the sale of shares / disinvestment as at Balance Sheet.

(g) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash nor has bought back any shares during the period of five years immediately preceeding the date at which the Balance Sheet is prepared.

(h) No convertible securities have been issued by the Company during the period.

(i) **Particulars of Promoter Shareholding for Equity Share Capital as at Balance sheet date:**

Promoter Name	As at 30th September 2022			As at 31st March 2022		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Anirudh Jhunjhunwala	41,60,000	13.11%	-	1,60,000	13.11%	-
Anuj Jhunjhunwala	39,00,000	12.30%	-	1,50,000	12.30%	-
Suresh Jhunjhunwala	39,00,000	12.30%	-	1,50,000	12.30%	-

Promoter Name	As at 31st March 2021			As at 31st March 2020		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Anirudh Jhunjhunwala	1,60,000	13.11%	-	1,60,000	13.11%	-
Anuj Jhunjhunwala	1,50,000	12.30%	-	1,50,000	12.30%	-
Suresh Jhunjhunwala	1,50,000	12.30%	-	1,50,000	12.30%	-

20 Other Equity

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a)	Securities Premium	-	37.80	37.80	37.80
(b)	Capital Reserve arising on consolidation*	49.60	49.60	-	-
(c)	Retained Earnings	1,504.29	1,424.91	1,033.89	799.51
(d)	Other Comprehensive Income	0.86	1.67	0.89	-
		1,554.75	**1,513.98**	**1,072.57**	**837.31**

Securities Premium

Securities Premium represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

Retained Earnings

Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Group.

Capital Reserve arising on consolidation

*Consequent upon buyback of shares in the FY 2021-22 by BDJ Oxides Pvt. Ltd. (a subsidiary), % of shareholding of the Company in the said subsidiary increased from 75.30% to 94.13%. Amount paid on buyback was adjusted with Retained Earnings on line-by-line consolidation of accounts of the subsidiary, instead of adjustment with Minority Interest. Necessary re-statement has been made in the figures for the year ended 31/03/2022.

Items that will not be reclassified to profit and loss.

The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI.

21 Non - Current Borrowings

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	From Banks (Secured):				
(a)	Term Loans	74.86	50.94	53.18	55.25
(b)	Vehicle Loans	3.87	5.01	1.60	1.99
		78.73	**55.95**	**54.79**	**57.24**

(All amount in INR Millions unless otherwise stated)

A Repayment terms & Security details - Term Loans (in a Subsidiary Company)

Particulars	Amount Outstanding (including Current maturity)	Number of instalment due on Balance Sheet date	Amount of instalment	Rate of interest	Security details
From Bank Of Baroda (Term Loan 1A)					1st Exclusive charge by way of equitable mortgage in respect of Land & building at Plot No. 10, Attivaram Industrial Park, Mandal: Ojili : Attivaram , SPSR Nellore Dist. (since repaid)
31st, March, 2022	3.00	1 Quarterly	2.25	6.85%	
31st, March, 2021	12.00	5 Quarterly	2.25	9.20%	
From Bank Of Baroda (Term Loan 1B)					
31st, March, 2022	0.75	1 Quarterly	0.75	6.85%	
31st, March, 2021	0.75	1 Quarterly	0.75	9.20%	
From Bank Of Baroda (Term Loan 2)					1st Exclusive charge by way of hypothecation of movable plant & Machinery & other movable fixed assets (present and future).
30th September, 2022	32.44	12 Quarterly	2.75	8.75%	
31st, March, 2022	37.94	14 Quarterly	2.75	6.85%	
31st, March, 2021	48.94	18 Quarterly	2.75	9.20%	
From Bank Of Baroda (Term Loan 3)					2nd charge with the existing credit facility in terms of Cash flows (including repayments) and security charges to exisiting facility.
31st, March, 2022	12.67	24 Monthly	0.42	7.50%	
31st, March, 2021	15.20	36 Monthly	0.42	7.50%	
From Bank Of Baroda (Term Loan 4)					Equitable Mortgage of Land at Plot No. 15,16, 17 & 18, Attivaram, Nellore with first exclusive charge on the entire project assets created/to be created from the said loan.
30th September, 2022	69.42	18 Quarterly	4.00	8.45%	
31st, March, 2022	40.00	20 Quarterly	4.00	6.55%	

- Personal & Corporate Guarantee
Above loans has been secured by personal guarantee of two Directors and corporate guarantee of Holding company.

B Repayment terms & Security details - Vehicle Loans

Particulars	Amount Outstanding (including Current maturity)	Number of instalment due on Balance Sheet date	Amount of instalment	Rate of interest	Security details
From Yes Bank					Vehicle loan are secured by hypothecation of respective specific vehicles being financed by them.
30th September, 2022	0.73	13 Monthly	0.06	9.50%	
31st, March, 2022	1.05	19 Monthly	0.06	9.50%	
31st, March, 2021	1.64	31 Monthly	0.06	9.50%	
From Kotak Mahindra Prime Ltd					
31st, March, 2021	0.36	9 Monthly	0.04	7.75%	Vehicle loan are secured by hypothecation of respective specific vehicles being financed by them.
From HDFC Bank					Vehicle loan are secured by hypothecation of respective specific vehicles being financed by them.
30th September, 2022	0.36	11 Monthly	0.03	8.05%	
31st, March, 2022	0.55	17 Monthly	0.03	8.05%	
31st, March, 2021	0.90	29 Monthly	0.03	8.05%	
From Daimler Financial Services India Pvt Ltd					
30th September, 2022	5.02	46 Monthly	0.13	7.10%	Vehicle loan are secured by hypothecation of respective specific vehicles being financed by them.
31st, March, 2022	5.58	52 Monthly	0.13	7.10%	

22 Other Non- Current Financial Liabilities

	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Security Deposit	-	-	2.00	2.00
	-	**-**	**2.00**	**2.00**

23 Non - Current Provisions

	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits				
- Gratuity Liability	2.36	2.38	1.78	1.33
	2.36	**2.38**	**1.78**	**1.33**

(All amount in INR Millions unless otherwise stated)

24	**Current Borrowings**	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	**Secured Loans**				
	From Banks				
	- Cash Credit	53.27	728.63	515.05	327.97
	- Packing Credit	27.62	-	85.92	72.04
	- Working Capital Demand Loan (WCDL)	350.00	100.00	50.00	10.00
(b)	**Current Maturities of Long Term Debt**	29.22	44.83	24.24	16.00
(c)	**Unsecured Loan**				
	- From Body Corporates	-	10.00	14.50	41.00
		460.11	**883.46**	**689.71**	**467.01**

Cash credit, Packing Credit & Working Capital Demand Loan
- Company

(a) The company has Cash credit facility with Bank of Baroda with a sub-limit of letter of credit (ILC/FLC/SBLC). The balance outstanding as on 30th September, 2022 with respect to Cash credit is Rs. 14.82 millions which is secured by:

Security details
- First pari-pasu charge on the entire current assets of the company both present and future.
- 10 % cash Margin in the Form of FDR on L/C Limit utilization basis.
- 10 % cash Margin in the Form of FDR on P/C Limit utilization basis .
- 10 % cash Margin in the Form of FDR on BG Limit utilization basis. (In case of disputed liabilities / Court cases 100% cash Margin).

Collateral security
- Equitable Mortgage on Factory Lands along with Shed, Building etc. thereon (First Pari Passu Charge with Citi Bank NA upto Rs 200 millions).
- Entire Fixed Assets of the Company except Land & Building as above. (First Pari Passu Charge with Citi Bank, NA).
- Lien on FDR bearing No 00290300007726 in the name of the company.

(b) The company has Cash credit facility with Citi Bank NA with a sub-limit of Working Capital Demand Loan (WCDL), Packing Credit, Pre and Post Shipment - Under LCs/ PO and Sight/ Usance Letter of credit. The balance outstanding as on 30th September, 2022 with respect to Cash credit is Rs. 5.05 millions and Packing credit is Rs. 27.62 millions which is secured by:

Security details
- First paripasu charge on the Stock and Book debts of the company both present and Future.
- First Paripasu Charge on Entire Plant & Machinery and other movable assets of the company present and future.
- First paripasu charge by way of Equitable Mortgage on Factory Lands along with Shed, Building Etc thereon owned by the company.
- First Paripasu charge by way of Equitable Mortgage on Sali Land along with Boundary Wall at Jalan Industrial Complex, Domjur, District, Howrah owned by the company.
- Cash margin of 10% on SLC/ULC and BG.

- Subsidiary Company

(a) The subsidiary company has Cash credit facility with Bank of Baroda with a sub-limit of Letter of Credit (ILC/FLC/SBLC). The balance outstanding as on 30th September, 2022 with respect to Cash credit is Rs. 1.50 millions which is secured by:

Security details
- First Pari Passu charge with CITI Bank by way of hypothecation of stocks, Book Debts & other current assets of the company both present & future.
- 10 % cash Margin in the Form of FDR on utilization basis

(b) The subsidiary company has Cash credit facility with Bank of Baroda with a sub-limit of Letter of Credit (ILC/FLC/SBLC). The balance outstanding as on 30th September, 2022 with respect to Cash credit is Rs. 31.90 millions and Working Capital Demand Loan (WCDL) is Rs 350 millions which is secured by:

Security details
- First paripassu charge on the Stock and Book debts of the company both present and future.
- Second paripassu charge with Bank of Baroda on Movable Fixed Assets of the Borrower.
- Second paripassu charge with Bank of Baroda on Land and Building situated at Plot No. 10, Attivaram, Industrial Park, Mandal, Ojili, Nellore district owned by subsidiary company.
- Second paripassu charge with Bank of Baroda on Land and Building situated at Plot No. 15 & 16, 17 & 18, Attivaram, Industrial Park, Mandal, Ojili, Nellore district owned by subsidiary company.

25	**Trade Payables**	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	- dues of micro enterprises and small enterprises	5.54	9.81	2.73	2.59
	- dues to creditors other than micro enterprises and small enterprises	71.16	43.31	69.21	28.30
		76.70	**53.11**	**71.94**	**30.89**

(All amount in INR Millions unless otherwise stated)

Trade Payables ageing schedule :

Particulars	Outstanding for following periods from due date of payment/ date of transaction				
	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
For the period ended 30th September 2022					
(i) MSME	5.54				**5.54**
(ii) Others	70.52	0.17	0.02	0.46	**71.16**
For the year ended 31st March 2022					
(i) MSME	9.81	-	-	-	**9.81**
(ii) Others	42.60	0.02	0.03	0.65	**43.31**
For the year ended 31st March 2021					
(i) MSME	2.73	-	-	-	**2.73**
(ii) Others	67.81	0.44	0.16	0.80	**69.21**
For the year ended 31st March 2020					
(i) MSME	2.59	-	-	-	**2.59**
(ii) Others	26.06	0.32	0.84	1.08	**28.30**

Disclosure of the amount due to the Micro, Small and Medium Enterprises (on the basis of the information and records available with the management):

	Particulars	Sep-22	2021-22	2020-21	2019-20
(a)	The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier				
	- Principle amount	5.54	9.81	2.73	2.59
	- Interest amount	-	-	-	-
(b)	The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	-	-	-	-
(c)	The amount of interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act 2006.	-	-	-	-
(d)	The amount of interest accrued and remaining un paid at the end of each accounting year.	-	-	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	-	-	-	-

26 Other Financial Liabilities

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a)	Interest accrued but not due on borrowings	0.32	0.27	0.42	0.41
(b)	Interest accrued and due on borrowings	-	-	1.54	2.80
(c)	Sundry Creditors for capitals goods	5.24	10.59	2.43	3.02
(d)	Derivative Liability at fair value through profit and loss (net)	0.94	10.51	-	-
(e)	Others Payables (Period end liability for expenses)	34.50	17.56	16.23	6.81
		41.00	**38.93**	**20.63**	**13.05**

27 Other Current Liabilities

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a)	Advance from customers	0.74	0.06	0.61	-
(b)	Statutory Dues	12.49	21.07	31.44	12.85
		13.23	**21.13**	**32.04**	**12.85**

28 Provisions

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Provision for Employee Benefits :				
(a)	Gratuity Liability	3.68	1.66	1.37	2.18
(b)	Other Employee benefit obligation	4.80	9.71	8.11	6.56
		8.48	**11.37**	**9.48**	**8.74**

(All amount in INR Millions unless otherwise stated)

29 Current Tax Liabilities (Net)

		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a)	Current Tax Liabilities (net of Payments)	54.92	8.69	25.77	-
		54.92	**8.69**	**25.77**	**-**

30 Revenue from Operations

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Finished Goods	4,225.04	6,082.58	4,339.90	3,976.14
Other Operating Revenue:				
Sale of traded goods	22.22	42.49	5.56	14.51
Sale of Raw Materials	3.21	-	-	-
Exports Benefits	0.25	3.23	7.52	3.25
	4,250.72	**6,128.30**	**4,352.98**	**3,993.91**

31 Other Income

		Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
(a)	Interest Income from loans measured at amortised cost	1.15	3.26	2.08	3.25
(b)	Profit on Sale of Plant, Property & Equipment	0.01	1.91	0.23	0.06
(c)	Net gain/(loss) on foreign exchange fluctuation	20.72	42.44	37.88	36.00
(d)	Net gain/(loss) on Derivative Instruments*	57.85	15.38	(17.69)	42.67
(e)	Profit on sale of Investments	7.44	10.74	12.80	0.21
(f)	Net Gain/ (Loss) on Investments measured at fair value through P/L	(17.31)	15.23	11.35	(3.58)
(g)	Dividend Income from investment measured at FVTPL	0.10	1.13	0.94	0.16
(h)	Insurance Claim received	-	10.30	-	-
(i)	Commission & Incentive Received	-	-	3.48	-
(j)	Miscellaneous Income	1.32	1.77	0.01	-
(k)	Rent Received	0.03	-	-	
		71.31	**102.17**	**51.07**	**78.78**

* includes gain/ (loss) on Fair Value of Derivatives as at period end.

32 Cost of Materials Consumed

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Raw material consumed*				
Inventory at the beginning of the period	588.67	313.58	257.29	536.15
Add: Purchases	3,229.50	5,337.93	3,510.76	3,115.49
Less: Inventory at the end of the period	419.82	588.67	313.58	257.29
	3,398.35	**5,062.84**	**3,454.48**	**3,394.34**
* includes cost of materials sold	2.75	-	-	-

33 Changes in inventories of finished goods, stock-in-trade and work-in-progress

		Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
(i)	**Inventories at the end of the year**				
(a)	Finished Goods	273.46	270.18	160.83	191.33
		273.46	**270.18**	**160.83**	**191.33**
(ii)	**Inventories at the beginning of the year**				
(a)	Finished Goods	270.18	160.83	191.33	181.00
		270.18	**160.83**	**191.33**	**181.00**
		(3.28)	**(109.34)**	**30.50**	**(10.33)**

34 Employee Benefits Expense

		Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
(a)	Salaries, Wages and Allowances	65.89	124.13	96.67	90.26
(b)	Contribution to Provident and Other Funds	3.29	6.58	5.14	5.73
(c)	Staff welfare expenses	1.07	2.40	1.18	0.91
		70.25	**133.11**	**102.99**	**96.90**

(All amount in INR Millions unless otherwise stated)

POST RETIREMENT EMPLOYEE BENEFITS

The disclosures required under IND AS 19 on ''Employee Benefits'', are given below:

Defined Contribution Plans

Contributions to Defined Contribution Plans, recognized are charged off for the period (included in Statement of Profit & Loss) as under:

Particulars	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Employer's Contribution to Provident & Pension Fund	2.16	4.39	3.51	4.02
Employer's Contribution to ESI	0.39	0.80	0.60	0.58

Post Retirement Benefit Plans

The Group provides for gratuity liability in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days for number of each completed year of service.

The employee's gratuity fund scheme managed by Life Insurance Corporation of India (LIC) is a defined benefit plan. The present value of obligation is determined based on independent actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(a) Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

	Gratuity (partially funded)		
	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021
Liability at the beginning of the year	10.46	9.67	9.31
Interest Cost	0.30	0.77	0.20
Current Service Cost	1.11	1.70	1.48
Benefits paid	(0.18)	(0.52)	-
Remeasurements - Due to Financial Assumptions	(0.28)	(0.40)	(0.06)
Remeasurements - Due to Experience Adjustments	1.14	(0.77)	(1.26)
Liability at the end of the year	**12.55**	**10.46**	**9.67**

(b) Changes in the Fair Value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Fair value of Plan Assets at the beginning of the year	6.42	6.52	5.95
Interest Income	0.23	0.46	0.41
Contributions by the Company	0.23	-	0.22
Benefits paid	(0.18)	(0.52)	-
Remeasurements - Return on Assets (Excluding Interest Income)	(0.19)	(0.04)	(0.06)
Fair value of Plan Assets at the end of the year	**6.51**	**6.42**	**6.52**

(c) Amount Recognized in Balance Sheet

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021
Liability at the end of the period	12.55	10.46	9.67
Fair value of Plan Assets at the end of the period	6.51	6.42	6.52
Amount Recognized in the Balance Sheet	**6.04**	**4.04**	**3.15**

(d) Expenses Recognized in the Income Statement

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost	1.11	1.70	1.48
Interest Cost	0.30	0.77	0.20
Expected return on plan assets	(0.23)	(0.46)	(0.41)
Expenses Recognized in Profit & Loss Account	**1.18**	**2.02**	**1.27**

(e) Remeasurements Recognized in Other Comprehensive Income

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021
Remeasurements - Due to Financial Assumptions	(0.28)	(0.40)	(0.06)
Remeasurements - Due to Experience Adjustments	1.14	(0.77)	(1.26)
Remeasurements- Return on Assets (Excluding Interest Income)	0.19	0.04	0.06
Remeasurements Recognized in Other Comprehensive Income	**1.05**	**(1.12)**	**(1.26)**

(f) Balance Sheet Reconciliation

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Net Liability	4.04	3.15	3.36
Defined Benefit Cost included in Profit and Loss	1.18	2.02	1.27
Remeasurements recognised in OCI	1.05	(1.12)	(1.26)
Employers Contribution	(0.23)	-	(0.22)
Amount Recognized in Balance Sheet	**6.04**	**4.04**	**3.15**

(All amount in INR Millions unless otherwise stated)

(g) The Principal actuarial assumptions used for estimating defined benefit obligations are set out as below:

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021
Summary of Financial Assumptions			
Discount Rate	7.32%	7.00%	6.97%
Salary Escalation	7.00%	7.00%	7.25%
Expected Return on Plan Assets	7.32%	7.00%	6.97%
Summary of Demographic Assumptions			
Mortality Rate [as % of IALM 2012-2014 UNLIMITED]			
Disability Table (as % of above mortality rate)	1%	1%	1%
Withdrawal Rate	1%	1%	1%
Retirement Age	60 years	60 years	60 years
Average Future Service	16 Years	18 years	19 years

Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 50 Basis Points from the assumed assumption is given below:

Particulars	**Change in Assumption**	**Gratuity As at 30-09-2022**	**Gratuity As at 31-03-2022**	**Gratuity As at 31-03-2021**
Changes in Defined Benefit Obligations				
Salary Escalation	0.5%	10.97	8.86	8.28
Salary Escalation	-0.5%	9.93	7.86	7.35
Attrition Rate	0.5%	10.42	8.33	7.79
Attrition Rate	-0.5%	10.43	8.34	7.80
Discount Rates	0.5%	9.86	7.78	7.26
Discount Rates	-0.5%	11.05	9.12	8.37

The Company's gratuity plan is managed by Life Insurance Corporation of India and the estimate maturity profile of the expected cash flow in respect of Defined Benefit Obligations are as follows:

Particulars	**Period Ended September 30, 2022**	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Year 1	2.93	0.90	0.71
Year 2	0.08	0.08	0.17
Year 3	0.12	0.21	0.07
Year 4	0.22	0.08	0.21
Year 5	0.34	0.39	0.09
Remaining Subsequent Years	29.21	27.34	24.03

35 Finance Costs

		Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
(a)	Interest Expense	22.04	59.19	47.84	58.99
(b)	Other Borrowing Cost	2.48	3.32	2.85	2.67
		24.52	**62.51**	**50.70**	**61.66**

36 Other Expenses

		Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
(a)	Consumptions of stores and spares	11.79	19.64	14.62	12.37
(b)	Packing Materials	18.83	35.71	24.62	21.86
(c)	Power and Fuel	149.18	195.82	129.63	130.82
(d)	Material Handling, Machinery Hire & other charges	1.86	2.42	2.60	1.40
(e)	Repairs and Maintenance				
	- for Building	10.81	4.24	1.09	0.64
	- for Plant and Machinery	3.83	18.91	9.04	4.78
	- for others	1.08	9.18	2.57	1.19
(f)	Auditors Remuneration	0.26	0.56	0.51	0.51
(g)	Carriage Outward	47.44	63.28	51.24	49.54
(h)	Discount & Commission	15.71	20.76	12.32	9.85
(i)	Rent	8.06	11.18	5.49	1.64
(j)	Insurance Charges	3.07	5.27	8.19	3.70
(k)	Legal & Professional Charges	13.52	19.89	13.60	5.66
(l)	Sundry Balance Written off (net)	2.35	(0.25)	1.30	0.15
(m)	Miscellaneous Expenses	3.30	2.76	2.11	2.85
(n)	Postage, Telephone & Stationery	1.53	3.47	1.70	2.43

(All amount in INR Millions unless otherwise stated)

(o) Bank Charges	1.75	5.73	2.62	2.88
(p) Waste Disposal Charges	0.68	0.85	0.93	0.91
(q) Fees & Subscription	5.00	2.09	0.52	0.70
(r) Processing Charges	9.20	20.39	21.20	18.95
(s) Rates & Taxes	3.88	2.10	1.40	1.78
(t) Sales Promotion Expenses	1.50	6.18	5.09	2.40
(u) Security Expenses	3.03	6.01	3.10	3.17
(v) Charity & Donation	0.05	0.07	0.00	0.04
(w) CSR Expenses	3.85	6.07	5.90	7.43
(x) Travelling & Conveyance	10.38	10.06	2.07	11.69
(y) Preliminary Expenses	-	-	-	0.08
(z) Vehicle Expenses	1.52	2.72	1.38	1.63
(aa) Directors Sitting Fees	0.11	-	-	-
	333.57	**475.11**	**324.83**	**301.05**

37 Tax Expenses

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Amount recognised in Profit & Loss				
Current Tax				
Current Tax for the Period	122.70	145.05	105.12	49.99
Income tax adjustment for the earlier years	0.39	(0.05)	16.94	-
Total Current Tax Expense	**123.09**	**145.00**	**122.07**	**49.99**
Deferred Tax				
Deferred Tax for the Period	5.14	(1.79)	1.93	1.59
Total Deferred Tax Expense	**5.14**	**(1.79)**	**1.93**	**1.59**
	128.23	**143.20**	**124.00**	**51.58**

Amount recognised in Other Comprehensive Income	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Deferred Tax				
Deferred Tax for the Period	(0.27)	0.28	0.32	-
Total Deferred Tax Expense	**(0.27)**	**0.28**	**0.32**	**-**

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of profit and loss

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit before Taxes	485.36	574.46	411.99	191.10
Indian Statutory Income tax Rate	25.17%	25.17%	25.17%	25.17%
Estimated Income tax expenses	122.15	144.58	103.69	48.10
Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense :				
Income exempt	-	-	(0.23)	(0.04)
Expenses that are not deductible in determining taxable profit	1.88	1.79	3.08	0.48
Additional Deduction under Income Tax Act,1961	(1.49)	(0.52)	0.26	(0.87)
Tax payable at different rate	(1.02)	(1.26)	(0.90)	(0.01)
Financial Assets at Fair Value Through Profit and Loss	4.36	(2.41)	(0.37)	0.39
Derivative instruments designated at fair value through P&L A/c	-	2.11	(0.85)	(0.18)
Tax for earlier years	0.39			
Other	1.97	(1.09)	19.33	3.71
Income Tax expense in the Statement of Profit and Loss	**128.23**	**143.20**	**124.00**	**51.58**

38 RELATED PARTY TRANSACTIONS

Related party disclosure as identified by the management in accordance with the IND AS 24 on 'Related Party Disclosures' where control exits and with whom transactions have taken place during reported periods.:

Names of the related parties and description of relationships:

A	**Key Management personnel (KMP) and close member of their family**	Suresh Jhunjhunwala - Executive Chairman Anirudh Jhunjhunwala - CEO & Managing Director Anuj Jhunjhunwala - Whole time Director & CFO Aakriti Jhunjhunwala - Wife of Anuj Jhunjhunwala Shilpa Jhunjhunwala- Wife of Anirudh Jhunjhunwala Alka Jhunjhunwala - Wife of Suresh Jhunjhunwala Swati Poddar - Company Secretary and Compliance Officer
B	**Entities where KMP or their close member have significant influence or control**	Alkan Fiscal Services Pvt. Ltd. BDJ Chemicals Pvt. Ltd. BDJ Impex Pvt. Ltd. Eeshwar Fiscal Services Pvt. Ltd. Vision Projects & Finvest Pvt. Ltd. Swarnim Complex Pvt Ltd.

(All amount in INR Millions unless otherwise stated)

Crystal Towers Pvt Ltd.
Ornamental fabrications Pvt Ltd
Perfect Finvest Pvt Ltd
Good News Media Pvt Ltd
Jayanti Commercial Ltd
Suresh Kumar Jhunjhunwala (HUF)
Anirudh Jhunjhunwala (HUF)
Afford Tie Up Pvt Ltd
Shreeji Merchants Pvt Ltd

C **Related party transaction:**

Nature of Transaction	**Key Management personnel (KMP) and close member of their family**			
	Sept-22	**2021-22**	**2020-21**	**2019-20**
Salary				
Anirudh Jhunjhunwala	7.76	16.08	12.74	10.88
Suresh Jhunjhunwala	7.97	16.09	14.31	12.44
Anuj Jhunjhunwala	7.13	13.94	12.06	12.95
Aakriti Jhunjhunwala	1.12	2.49	0.98	-
Swati Poddar	0.28	-	-	-
Buy Back of Shares				
Anirudh Jhunjhunwala	-	10.46	-	-
Suresh Jhunjhunwala	-	5.23	-	-
Anuj Jhunjhunwala	-	4.18	-	-
Shilpa Jhunjhunwala	-	10.46	-	-
Aakriti Jhunjhunwala	-	11.50	-	-
Rent paid				
Alka Jhunjhunwala	0.09	0.18	0.18	
Loan Taken				
Anuj Jhunjhunwala	-	-	-	0.15
Anirudh Jhunjhunwala	-	-	1.00	-
Loan Repayment				
Anuj Jhunjhunwala	-	-	-	0.15
Anirudh Jhunjhunwala	-	-	1.00	-
Interest Paid on Loan				
Anirudh Jhunjhunwala		-	0.02	
Closing Balance				
Salary Payable				
Anuj Jhunjhunwala	-	0.51	1.97	0.43
Aakriti Jhunjhunwala	-	0.13	-	-
Anirudh Jhunjhunwala	-	0.76	1.83	0.14
Suresh Jhunjhunwala	-	0.39	1.89	0.46

Nature of Transaction	**Entities where KMP or their close member have significant influence or control**			
	Sept-22	**2021-22**	**2020-21**	**2019-20**
Interest Paid on Loan				
Eeshwar Fiscal Services Pvt. Ltd.	0.15	0.44	-	-
Anirudh Jhunjhunwala (HUF)	-	-	0.06	-
Crystal Towers Pvt Ltd.	-	0.13	-	-
BDJ Chemicals Pvt. Ltd.	0.15	0.38	0.01	-
BDJ Impex Pvt. Ltd.	0.01			-
Vision Projects & Finvest Pvt. Ltd.	-	-	-	0.01
Alkan Fiscal Services Pvt. Ltd.	0.07	1.88	-	-
Jayanti Commercial Ltd	-	0.06	-	-
Interest Received on Loan				
Swarnim Complex Pvt Ltd	-	-	0.10	0.37
BDJ Impex Pvt. Ltd.	-	-	0.38	0.72
Afford Tie Up Pvt Ltd	0.17	0.33	-	-
Alkan Fiscal Services Pvt. Ltd.	-	0.22	-	-
Crystal Towers Pvt Ltd.	0.05	0.09	-	-
Jayanti Commercial Ltd	0.54	0.59	0.02	-
Shreeji Merchants Pvt Ltd	-	0.06	-	-
Purchase of Goods				
BDJ Impex Pvt. Ltd.	-	4.99	13.74	16.89
Rent Received				

(All amount in INR Millions unless otherwise stated)

BDJ Impex Pvt. Ltd.	0.03	-	-	-
Supply of Goods				
BDJ Impex Pvt. Ltd.	-	0.02	-	
Loan Taken				
BDJ Chemicals Pvt. Ltd.	8.25	18.05	0.70	-
BDJ Impex Pvt. Ltd.	1.00	0.30	-	2.00
Vision Projects & Finvest Pvt. Ltd.	-	1.15	-	0.20
Alkan Fiscal Services Pvt. Ltd.	12.50	68.13	-	-
Jayanti Commercial Ltd	-	8.90	8.00	-
Eeshwar Fiscal Services Pvt. Ltd.	10.00	22.30	-	0.10
Crystal Towers Pvt Ltd.	-	7.20	-	-
Anirudh Jhunjhunwala (HUF)	-	-	2.85	-
Suresh Kumar Jhunjhunwala (HUF)	-	-	0.40	-
Loan Given				
Swarnim Complex Pvt Ltd	-		-	1.50
BDJ Impex Pvt. Ltd.	-		2.75	22.85
Afford Tie Up Pvt Ltd	-	0.20	5.05	-
Alkan Fiscal Services Pvt. Ltd.	-	8.50	-	-
Crystal Towers Pvt Ltd.	-	3.85	-	-
Jayanti Commercial Limited	1.20	11.70	15.00	-
Shreeji Merchants Pvt Ltd	-	-	2.90	-
Loan Received back				
Swarnim Complex Pvt Ltd	-	-	1.20	12.80
BDJ Impex Pvt. Ltd.	-	-	8.75	16.85
Afford Tie Up Pvt Ltd	-	1.25	-	-
Alkan Fiscal Services Pvt. Ltd.	-	8.50	-	-
Crystal Towers Pvt Ltd.	0.08	2.70		-
Jayanti Commercial Limited	-	6.30	7.95	-
Shreeji Merchants Pvt Ltd	-	2.90	-	-
Loan Repayment				
Eeshwar Fiscal Services Pvt. Ltd.	10.00	22.30	-	0.10
Jayanti Commercial Limited	-	8.90	8.00	-
Crystal Towers Pvt Ltd.	-	7.20	-	-
BDJ Chemicals Pvt. Ltd.	8.25	18.05	0.70	-
BDJ Impex Pvt. Ltd.	1.00	0.30	-	2.00
Vision Projects & Finvest Pvt. Ltd.	-	1.15	-	0.20
Alkan Fiscal Services Pvt. Ltd.	12.50	68.13	-	-
Anirudh Jhunjhunwala (HUF)	-	-	2.85	-
Suresh Kumar Jhunjhunwala (HUF)	-	-	0.40	-
Rent Paid				
Crystal Towers Pvt Ltd.	6.20	6.45	3.36	0.75
BDJ Impex Pvt. Ltd.	2.52	2.33	-	-
Swarnim Complex Pvt Ltd	-	0.84	0.72	-
BDJ Chemicals Pvt Ltd.	0.62	1.20	-	-
Security Deposit Paid				
Crystal Towers Pvt Ltd.	-	1.33	0.75	0.50
BDJ Impex Pvt. Ltd.	-	0.95	-	-
BDJ Chemicals Pvt Ltd.	-	0.30	-	-
Security Deposit - Received				
BDJ Impex Pvt. Ltd.	-	0.02	-	-
Advance Received				
BDJ Impex Pvt. Ltd.		-	4.36	2.31
Advance Refunded				
BDJ Impex Pvt. Ltd.	-	-	4.36	2.31
Legal & professional services				
Eeshwar Fiscal Services Pvt. Ltd.	-	-	1.20	-
Vision Projects & Finvest Pvt. Ltd.	-	1.80	-	-
Advertisement & Publicity				
Good News Media Pvt Ltd	-	1.75	1.60	-

(All amount in INR Millions unless otherwise stated)

Nature of Transaction	Entities where KMP or their close member have significant influence or control			
	Sept-22	2021-22	2020-21	2019-20
Security Deposit Received Back				
Crystal Towers Pvt Ltd.	-	-	0.50	-
Closing balance as on 31st March				
Security Deposit				
Crystal Towers Pvt Ltd.	2.08	2.08	0.75	0.50
BDJ Impex Pvt. Ltd.	0.02	0.02	-	
BDJ Chemicals Pvt Ltd.	0.30	0.30	-	
Investment				
Swarnim Complex Pvt Ltd	0.10	0.10	-	-
Loan given				
Swarnim Complex Pvt Ltd	-	-	-	1.20
BDJ Impex Pvt. Ltd.	-	-	-	6.00
Afford Tie Up Pvt Ltd	4.00	4.00	5.05	-
Crystal Towers Pvt Ltd.	1.08	1.15	-	-
Jayanti Commercial Ltd	13.65	12.45	7.05	-
Shreeji Merchants Pvt Ltd		-	2.90	-
Interest receivable				
Swarnim Complex Pvt Ltd.	-	-	-	0.33
BDJ Impex Pvt. Ltd.	-	-	1.00	0.65
Interest Payable				
BDJ Impex Pvt. Ltd.	-	-	-	0.01

D **Compensation of Key management personnel**

The remuneration of directors and other member of key management personnel during the year was as follows:

Particulars	Period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefits expense	23.14	46.10	39.10	36.27
Post-employment benefits	-	-	-	-

E **Transaction between the Holding Company & the Subsidiary Companies :**

Subsidiaries BDJ Oxides Pvt Ltd.
BDJ Speciality Chemicals Pvt. Ltd.

Nature of Transaction	Subsidiaries			
	Period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Interest Received on Loan				
BDJ Oxides Pvt. Ltd.	4.13	15.08	10.52	12.82
BDJ Speciality Chemicals Pvt. Ltd.		-		0.02
Purchase of Goods				
BDJ Oxides Pvt. Ltd.	45.22	91.03	102.19	18.28
Sale of Goods				
BDJ Oxides Pvt. Ltd.	4.07	5.75	37.88	31.85
Sale of Fixed Assets				
BDJ Oxides Pvt. Ltd.	0.09	-	-	-
Miscellaneous Income				
BDJ Oxides Pvt. Ltd.	0.21	-	-	-
Shared Services Allocation				
BDJ Oxides Pvt. Ltd.	6.90	-	-	-
Loan Given				
BDJ Oxides Pvt. Ltd.	443.50	346.50	93.90	188.50
BDJ Speciality Chemicals Pvt. Ltd.	-	-	-	6.50
Loan Received back				
BDJ Oxides Pvt. Ltd.	224.00	416.50	93.90	188.50
BDJ Speciality Chemicals Pvt. Ltd.	-	-	-	6.50

(All amount in INR Millions unless otherwise stated)

Investment				
BDJ Speciality Chemicals Pvt. Ltd.	-	-	-	17.40
Advance Received				
BDJ Speciality Chemicals Pvt. Ltd.	-	-	2.85	-
Advance Refunded				
BDJ Speciality Chemicals Pvt. Ltd.	-	-	2.85	-
Closing balance				
Loan given				
BDJ Oxides Pvt. Ltd.	219.50	-	70.00	70.00
Interest receivable				
BDJ Oxides Pvt Limited	-	-	9.73	11.54
BDJ Speciality Chemicals Pvt. Ltd.	-	-	-	0.02
Investment				
BDJ Oxides Pvt. Ltd.	10.93	10.93	10.93	10.93
BDJ Speciality Chemicals Pvt. Ltd.	17.40	17.40	17.40	17.40

F. **BDJ OXIDES PRIVATE LIMITED**

The following are the related party transaction between the Subsidiary Companies :

Entities where KMP or their close member have significant influence or control BDJ Speciality Chemicals Private Limited

Nature of Transaction	**Entities where KMP or their close member have significant influence or control**			
	Period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Interest Paid on Loan				
BDJ Speciality Chemicals Private Limited	-	0.05	-	-
Purchases of Old Machinaries				
BDJ Speciality Chemicals Private Limited	-	-	2.24	-
Purchase of Land				
BDJ Speciality Chemicals Private Limited	-	-	14.20	-
Loan Taken				
BDJ Speciality Chemicals Private Limited	-	3.05	-	-
Loan Repayment				
BDJ Speciality Chemicals Private Limited	-	3.05	-	-

39 COMMITMENTS AND CONTINGENCIES

i. **Capital commitments**

	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	7.54	14.97	2.63	-
	7.54	**14.97**	**2.63**	**-**

ii. **Contingent Liabilities not provided for in respect of:**

	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Disputed amount of Sales Tax / VAT	7.63	7.63	8.58	9.21
Income Tax	-	-	-	23.76
Entry Tax	36.91	36.91	36.91	36.04
	44.54	**44.54**	**45.49**	**69.00**

40 Segment information

Operating segments have been identified on the basis of nature of products, risk and returns associated therewith and other quantitative criteria specified in Ind AS 108 “Operating Segments". The Group operates mainly in one business segment viz., Manufacturing and selling of Zinc Oxide and all other activities revolve around the main activity. The Company is operating in two geographical segments i.e., in India and Outside. The details required as per the standard are as follows:

(All amount in INR Millions unless otherwise stated)

Particulars	Within India				Outside India			
	Sept-22	2021-22	2020-21	2019-20	Sept-22	2021-22	2020-21	2019-20
Segment Revenue	3,833.68	5,583.22	3,966.08	3,614.54	417.04	545.08	386.90	379.37
Segment Assets	2,562.97	2,589.78	1,995.25	1,434.22	99.83	51.63	104.12	60.02
Capital Expenditure	52.07	100.72	42.84	42.18	-	-	-	-

41 EARNING PER SHARE:

Reconciliation of Net Profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Basic: Basic earnings per share is calculated by dividing the profit/ (loss) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period

Diluted: Diluted earnings per share is calculated adjusting the weighted average number of equity shares outstanding during the period for assumed conversion of all dilutive potential equity shares.

	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Net profit attributable to the Equity holders of the Company as per Statement of Profit and Loss.	346.59	400.05	234.38	129.56
Net profit for Basic and Diluted earnings per share	346.59	400.05	234.38	129.56
Weighted average number of equity shares for calculation of basic and diluted earnings per share*	3,17,20,000	3,17,20,000	3,17,20,000	3,17,20,000
(restated for earlier periods for issue of Bonus Shares made on 21/6/2022)				
Face value of Equity Shares (Rs.)	10.00	10.00	10.00	10.00
Basic EPS (Rs.)	10.93	12.61	7.39	4.08
Diluted EPS (Rs.)	10.93	12.61	7.39	4.08

*Pursuant to a resolution of the Board of Directors dated 25th May, 2022 and after shareholders' approval in the EOGM dated 31st May, 2022, the Company has issued 25 (twenty five) bonus shares of face value of Rs. 10 (Rupees Ten) each for every 1 (One) existing fully paid-up equity share of face value of Rs. 10 (Rupees Ten) each on 21st June, 2022, by capitalisation of its reserves & surplus.

42 Confirmations for the balances shown under current and non-current loans & advances, current liabilities, Trade payables, Receivables and other current assets have been sought from the respective parties. Consequential adjustments shall be done on the receipt of the same. In the opinion of the management, the value of current assets, loans and advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

43 Leases

The Group's leasing agreements (as lessee) in respect of lease for office accommodation, godown and guest house which are on periodic renewal basis. Expenditure incurred on account of rent during the period and recognized in the Statement of Profit & Loss amounts to Rs. 8.06 millions (Year ended 31st March, 2022 Rs. 11.18 millions, Year ended 31st March, 2021 Rs. 5.49 millions and Year ended 31st March, 2020 - Rs. 1.64 millions)

44 Corporate Social Responsibility

A CSR committee has been formed by the Group as per provisions of Section 135 of the Companies Act,2013. The areas of CSR activities areas are as prescribed under Schedule VII of the Companies Act, 2013.

	Period Ended September 30, 2022	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Gross amount required to be spent by the Group during the period	**3.85**	**5.88**	**5.82**	**5.45**
(b) Amount spent during the year				

Particulars	Construction/ acquisition of any assets				On purpose other than Construction/ acquisition of any			
	Sept 30, 2022	2021-22	2020-21	2019-20	Sept 30, 2022	2021-22	2020-21	2019-20
(a) Amount incurred	-	-	-	-	-	6.07	11.69	1.64
(b) Amount yet to be incurred (Cumulative)	-	-	-	-	3.85		-	5.79*
	-	**-**	**-**	**-**	**3.85**	**6.07**	**11.69**	**7.43**

(c) Nature of CSR activities — **Education, Health care, Disaster Relief, Animal welfare**

Note:

*Shortfall for the financial year 2019-20 and 2018-19 has been spent in the the year 2020-21.

45 Borrowing from banks and financial institutions

The Group has given current assets as security for borrowings obtained from banks. The company duly submitted the required information with the banks on regular basis and the required reconciliation is presented below:

Quarter ended	Particulars	Amount as per Books	Amount as reported in the quarterly returns	Amount of difference*
For the Period ended September 30, 2022				
Quarter ended 30th September, 2022	Inventory	702.48	776.34	73.86
	Debtors	1,177.52	1,183.89	6.37
Quarter ended 30th June, 2022	Inventory	722.38	799.53	77.15
	Debtors	1,362.60	1,362.60	0.00

(All amount in INR Millions unless otherwise stated)

For the year ended March 31, 2022				
Quarter ended 31st March, 2022	Inventory	858.80	912.00	53.20
	Debtors	947.71	947.70	(0.00)
Quarter ended 31st December, 2021	Inventory	917.40	1,034.10	116.70
	Debtors	833.40	833.40	-
Quarter ended 30th September, 2021	Inventory	896.00	1,010.00	114.00
	Debtors	914.30	914.30	-
Quarter ended 30th June, 2021	Inventory	897.70	1,018.50	120.80
	Debtors	712.90	712.40	(0.50)
For the year ended March 31, 2021				
Quarter ended 31st March, 2021	Inventory	474.40	542.20	67.80
	Debtors	897.95	903.60	5.65
Quarter ended 31st December, 2020	Inventory	508.40	564.20	55.80
	Debtors	754.90	754.90	-
Quarter ended 30th September, 2020	Inventory	458.60	517.50	58.90
	Debtors	618.40	612.50	(5.90)
Quarter ended 30th June, 2020	Inventory	615.70	695.70	80.00
	Debtors	485.40	485.00	(0.40)

Note:
* The above stated difference is primarily due to the amount of GST charged on purchased material.

46 FIRST-TIME ADOPTION – MANDATORY EXCEPTIONS AND OPTIONAL EXEMPTIONS

A Explanation of transition to Ind AS :

The Group has prepared the opening balance sheet as per Ind AS as on April 1, 2019 ('the transition date') by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. The accounting policies that the Group used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments that arise from events and transactions before the date of transition to Ind-AS have been recognised directly in retained earnings at the date of transition.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Group as detailed below.

(i) Ind AS Optional Exemption availed

Deemed Cost for Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Group has elected to measure all of its property, plant at their previous GAAP carrying value.

Deemed cost for Intangible assets

The Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2019 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to Ind
The Group has elected to apply this exemption for its investment in equity instruments

Measurement of Investment in Subsidiaries

Ind AS 101 allows a first time adopter to measure investment in subsidiary at cost determined in accordance with Ind AS 27 or at deemed cost i.e. fair value of such investments at the entity's date of transition or previous GAAP carrying amount at the date of transitions.
Accordingly, the Group has adopted previous GAAP carrying amount of investment in subsidiaries at cost.

Classification of debt Instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

(ii) Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. Accordingly, the Group has made estimates for following items in accordance with Ind AS at the date of transition, which were not required under previous GAAP:

i. Investment in equity instruments carried at FVTPL; and
ii. Investment in debt instruments carried at FVTPL.

(All amount in INR Millions unless otherwise stated)

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 retrospectively from the date of transition to Ind AS.

Impairment of financial assets

As set in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Group has assessed impairment of financial assets in conformity with Ind AS 109.

B Reconciliation of items of Balance sheet as at 31st March, 2021 and as at 31st March, 2020

Particulars	Note No.	As at 31-03-2021			As at 31-03-2020		
		Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS Ind AS	Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS Ind AS
Assets							
Non-current assets							
Property, Plant and Equipment		223.87	-	223.87	201.50	-	201.50
Capital work-in-progress		0.37	-	0.37	3.32	0.01	3.34
Goodwill on Consolidation		5.56		5.56	5.56	-	5.56
Intangible Assets		0.25	-	0.25	0.34	-	0.34
Financial Assets:							
(i) Investments	**F(i)**	78.50	7.78	86.28	61.12	(3.58)	57.54
(ii) Loans		-	-	-	-	-	-
(iii) Other Financial Assets		7.71	-	7.71	7.99	-	7.99
Deferred tax assets (net)	**F(ii)**	0.09	(0.09)	-	0.85	0.21	1.06
Other Non-Current Tax Assets		4.60	-	4.60	9.14	-	9.14
Other Non-Current Assets		4.40	-	4.40	19.44	-	19.44
Current assets							
Inventories		486.41	-	486.41	455.38	-	455.38
Financial Assets:							
(i) Trade Receivables		897.95		897.95	499.55	-	499.55
(ii) Cash and Cash Equivalents		47.06	-	47.06	6.98	-	6.98
(iii) Bank Balances other than - (ii) above		4.46	-	4.46	0.04	-	0.04
(iv) Loans		19.50	-	19.50	17.20	-	17.20
(v) Other Financial Assets	**F(iii)**	50.15	1.30	51.45	46.02	0.73	46.75
Current Tax Assets (net)		-	-	-	0.18	-	0.18
Other Current Assets	**F(iv)**	260.79	(1.30)	259.49	162.99	(0.73)	162.26
TOTAL ASSETS		**2,091.67**	**7.70**	**2,099.37**	**1,497.60**	**(3.37)**	**1,494.24**
Equity							
Equity Share Capital		12.20	-	12.20	12.20	-	12.20
Other Equity		1,072.48	7.88	1,080.36	851.42	(2.64)	848.78
Non Controlling Interest		105.66	(0.06)	105.60	52.48	0.00	52.48
Liabilities							
Non-current liabilities							
Financial Liabilities:							
(i) Borrowings		54.79	-	54.79	57.24	-	57.24
(ii) Other Financial Liabities		2.00	-	2.00	2.00	-	2.00
Provisions		1.78	-	1.78	1.33	-	1.33
Deferred Tax Liabilities (Net)	**F(ii)**	-	1.19	1.19	-	-	-
Current liabilities							
Financial Liabilities:							
(i) Borrowings		689.71	-	689.71	467.01	-	467.01
(ii) Trade Payables		71.94	-	71.94	30.89	-	30.89
(iii) Other Financial Liabities		20.63	-	20.63	13.05	-	13.05
Other Current Liabilities	**F(iii)**	33.34	(1.30)	32.04	7.79	(0.73)	7.06
Provisions		1.37	-	1.37	2.18	-	2.18
Current Tax Liabilities (net)		25.77	-	25.77	-	-	-
TOTAL EQUITY AND LIABILITIES		**2,091.67**	**7.70**	**2,099.37**	**1,497.60**	**(3.37)**	**1,494.24**

(All amount in INR Millions unless otherwise stated)

C Reconciliation of equity as reported under previous GAAP is summarized as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as per Previous GAAP	1,084.68	863.62
Adjustments:		
Effect of fair valuation of financial assets	6.84	(3.19)
Effect of fair valuation of forward/ derivative contracts	1.04	0.55
Actuarial gain/ (loss) on employees defined benefit	-	-
Total IND AS adjustments	7.88	(2.64)
Balance as per IND AS	**1,092.56**	**860.98**

D Reconciliation of items of Statement of profit and loss as at 31st March, 2020 and as at 31st March, 2021

	Particulars	Note No.	As at 31-03-2021			As at 31-03-2020		
			Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS	Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS
I.	**Revenue from Operations**		4,345.46	7.52	4,352.98	3,990.66	3.25	3,993.91
II.	**Other Income**	F(i) (iv)	46.48	4.59	51.07	82.08	(3.30)	78.78
III.	**Total Revenue (I+II)**		**4,391.94**	**12.11**	**4,404.05**	**4,072.74**	**(0.05)**	**4,072.69**
IV.	**Expenses**							-
	Cost of Materials Consumed		3,454.48	-	3,454.48	3,394.34	0.00	3,394.34
	Purchases of Stock-in-Trade		5.19	-	5.19	19.32	-	19.32
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		30.50	-	30.50	(10.33)	-	(10.33)
	Employee Benefits Expense	F(v)	100.18	1.26	101.44	94.51	0.00	94.51
	Finance Costs		50.70	-	50.70	61.66	-	61.66
	Depreciation and Amortisation Expense		23.38	-	23.38	18.64	-	18.64
	Other Expenses		330.62	-	330.62	295.27	0.00	295.26
	Total Expenses (IV)		3,995.05	1.26	3,996.30	3,873.41	0.00	3,873.41
V.	**Profit/ (loss) before tax (III-IV)**		**396.89**	**10.85**	**407.75**	**199.32**	**(0.05)**	**199.28**
VI.	**Tax expense:**							-
	(a) Current tax		105.12	-	105.12	49.99	-	49.99
	(b) Deferred tax	F(ii)	0.77	1.16	1.93	1.09	0.50	1.59
	(c) Income tax adjustment for earlier years		16.94	-	16.94	-		-
VII.	**Profit/ (loss) for the period (V+VI)**		**274.06**	**9.69**	**283.75**	**148.24**	**(0.55)**	**147.70**
VIII.	**Other Comprehensive Income:**							
	(i) Items that will not be reclassified to profit or loss							
	a. Remeasurements of the defined benefit plans	F(v)	-	1.26	1.26	-		-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(0.32)	0.32	-	-	-
IX.	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**274.06**	**10.63**	**284.69**	**148.24**	**(0.55)**	**147.70**

E Explanation of material adjustments to the cash flow statements

The impact on transition to IND AS in the Statement of Cash Flows due to various reclassification/ valuation principles laid down under various standards which has been recorded in the Group's financial statements have been explained below. The impact of the same has been shown under the respective operating, investing and financing activities under the Cash Flow.

Particulars	For the year ended 31st March, 2021			For the year ended 31st March, 2020		
	As per previous GAAP	Adjustments	As per Ind AS	As per previous GAAP	Adjustments	As per Ind AS
Net Cash flow from / (used in) operating activities (A)	(72.37)	(1.09)	(73.46)	414.47	(5.79)	408.67
Net Cash flow from / (used in) investing activities (B)	(57.10)	1.09	(56.00)	(119.11)	5.80	(113.31)
Net Cash flow from / (used in) financing activities (C)	169.55	-	169.55	(295.43)	-	(295.43)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	40.08	0.00	40.09	(0.08)	-	(0.08)
Cash and cash equivalents at the beginning of the year	6.98	-	6.98	7.06	-	7.07
Cash and cash equivalents at the end of the year	**47.06**	**0.00**	**47.06**	**6.98**	-	**6.98**
Components of cash and cash equivalents						
Balances with Banks						
In Current Accounts	3.76	-	3.76	4.03	-	4.03
In Overdraft Accounts	37.49	-	37.49	-	-	-
Cash on hand	1.31	-	1.31	1.92	-	1.92
Foreign Currency in hand	0.63	-	0.63	1.01	-	1.01
Balance with banks on EEFC accounts	3.86	-	3.86	0.01	-	0.01
Total cash and cash equivalents	**47.06**	**-**	**47.06**	**6.98**	**-**	**6.98**

(All amount in INR Millions unless otherwise stated)

F Principal Differences in respect of Measurement and Recognition under Previous GAAP and IND AS are as follows:

i. Fair value of Investment

Under the Indian GAAP, investments in equity instruments and mutual fund were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2021.

ii. Deferred Tax Assets

Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period whereas, Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax adjustments are recognised/ derecognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii. Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.

iv. Derivative financial Instruments

Under previous GAAP, profit and loss on the derivatives hedging instrument are recognized in the statement of profit and loss when it is realised.
Under IND AS, Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of income.

v. Reclassification Adjustments

Under previous GAAP, Actuarial Gain/ (Loss) related to experience adjustments and changes in actuarial assumptions related to defined benefits plan were recognised in the Statement of Profit and Loss.

Under IND AS, such actuarial gain/(loss) are to be recognized as a part of other comprehensive income.

47 Financial Instrument and Related Disclosures.

A. Carrying value and Fair Value of Financial Assets and Financial Liabilities with Fair Value Hierarchy

Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
As at 30th September, 2022					
Financial assets					
Financial assets at FVTPL					
- Investments	57.03	-	-	-	57.03
Financial assets at Amortised cost					
- Loans	-	-	-	18.73	18.73
- Other Financial Assets	-	-	-	120.51	120.51
- Trade Receivables	-	-	-	1,177.52	1,177.52
- Cash and Cash Equivalents	-	-	-	20.50	20.50
- Other bank balances	-	-	-	0.24	0.24
Total Financial assets	**57.03**	**-**	**-**	**1,337.50**	**1,394.53**
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	538.84	
- Trade payables	-	-	-	76.70	
- Other Financial Liabilities	-	-	-	41.00	
Total Financial Liabilities	-	-	-	**656.55**	**-**

Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
As at 31st March, 2022					
Financial assets					
Financial assets at FVTPL					
- Investments	84.78	0.10	-	-	84.88
Financial assets at FVTOCI	-	-	-	-	-
Financial assets at Amortised cost					
- Loans	-	-	-	17.60	17.60
- Other Financial Assets	-	-	-	98.12	98.12
- Trade Receivables	-	-	-	947.71	947.71
- Cash and Cash Equivalents	-	-	-	58.53	58.53
- Other bank balances	-	-	-	22.08	22.08
Total Financial assets	**84.78**	**0.10**	**-**	**1,144.04**	**1,228.92**
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	939.41	939.41
- Trade payables	-	-	-	53.11	53.11
- Other Financial Liabilities	-	-	-	38.93	38.93
Total Financial Liabilities	-	-	-	**1,031.46**	**1,031.46**

(All amount in INR Millions unless otherwise stated)

Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
As at 31st March, 2021					
Financial assets					
Financial assets at FVTPL					
- Investments	86.28	-	-	-	86.28
Financial assets at FVTOCI	-	-	-	-	-
Financial assets at Amortised cost					
- Loans	-	-	-	19.50	19.50
- Other Financial Assets	-	-	-	59.15	59.15
- Trade Receivables	-	-	-	897.95	897.95
- Cash and Cash Equivalents	-	-	-	47.06	47.06
- Other bank balances	-	-	-	4.46	4.46
Total Financial assets	**86.28**	**-**	**-**	**1,028.13**	**1,114.41**
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	744.50	744.50
- Trade payables	-	-	-	71.94	71.94
- Other Financial Liabilities	-	-	-	22.63	22.63
Total Financial Liabilities	**-**	**-**	**-**	**839.07**	**839.07**

As at 31st March, 2020

Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial assets					
Financial assets at FVTPL					
- Investments	57.54	-	-	-	57.54
Financial assets at FVTOCI	-	-	-	-	-
Financial assets at Amortised cost					
- Loans	-	-	-	17.20	17.20
- Other Financial Assets	-	-	-	54.74	54.74
- Trade Receivables	-	-	-	499.55	499.55
- Cash and Cash Equivalents	-	-	-	6.98	6.98
- Other bank balances	-	-	-	0.04	0.04
Total Financial assets	**57.54**	**-**	**-**	**578.51**	**636.05**
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	524.25	524.25
- Trade payables	-	-	-	30.89	30.89
- Other Financial Liabilities	-	-	-	15.05	15.05
Total Financial Liabilities	**-**	**-**	**-**	**570.20**	**570.20**

B. Financial Risk Management

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group continues to focus on a system-based approach to business risk management. The Group's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

(i) Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(All amount in INR Millions unless otherwise stated)

Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group functional currency exposure.

Exposure to currency Risk	Currency	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Trade receivables (unhedged)	USD	0.97	0.82	1.45	0.78
Trade receivables (unhedged)	EURO	0.26	-	-	-
Trade payables (unhedged)	USD	0.69	0.03	0.30	0.04
Other financial assets	USD	2.05	-	0.31	-
Other financial liabilities	USD	0.00	0.08	-	-
SBLC	USD	-	2.19	0.19	-

As at September 30, 2022, 5% increase/decrease in the exchange rate of Indian Rupee with foreign currencies would result in approximately Rs. 0.13 millions decrease/ increase in the fair value of the Group's foreign currency dollar denominated financial instruments (As at March 31, 2022, Rs. -0.08 millions, as at March 31, 2021, Rs. 0.06 millions and As at March 31, 2020, Rs. 0.04 millions).

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. The Group exposure to the risk of changes in market interest rates relates primarily to the company long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Group interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Fixed rate Instrument				
Financial assets	22.76	43.47	27.15	20.42
Financial liabilities	-	-	-	
Variable rate Instrument				
Financial assets	-	-	-	
Financial liabilities	538.84	939.41	744.50	524.25

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

As at September 30, 2022, 100 basis points (1%) increase/decrease in the interest rate at Indian currency borrowings would result in approximately Rs. 5.39 millions in the finance cost of the Group's Indian currency borrowings (As at March 31,2022, Rs. 9.40 millions , as at March 31,2021, Rs. 7.44 millions and as at March 31, 2020, Rs. 5.25 millions)

Price Risk

The Group invests its surplus funds primarily in equity shares and mutual funds measured at fair value. Aggregate value of such investments as at 30th September, 2022 is Rs. 57.04 million (As at 31st March, 2022 Rs. 84.77 million as at March 31, 2021 Rs. 86.28 millions and as at March 31, 2020 Rs. 57.54 millions)

Increase/decrease of 5% would result in an impact increase/(decrease) by Rs. 2.85 millions, Rs. 4.24 millions, Rs. 4.31 millions & Rs. 2.88 millions on total profit for the period ended 30th September 2022, 31st March 2022, March 31, 2021 and March 31, 2020 respectively.

(ii) Liquidity Risk

Liquidity risk is the risk than an entity will encounter difficulty in meeting obligation associated with financial liabilities that are settled by deliverying cash or other financial assets. The Group mitigates its liquidity risks by ensuring timely collections of its receivables and close monitoring of its credit cycle.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date:

Particulars	Carrying value	On Demand	Less than 1 year	Beyond 1 year	Total
As at 30th September, 2022					
- Borrowings	538.84	403.27	56.84	78.73	538.84
- Trade payables	76.70	-	76.70	-	76.70
- Other Financial Liabilities	41.00	-	41.01	-	41.01
	656.55	**403.27**	**174.55**	**78.73**	**656.55**
As at 31st March, 2022					
- Borrowings	939.41	838.63	44.83	55.95	939.41
- Trade payables	53.11	-	53.11	-	53.11
- Other Financial Liabilities	38.93	-	38.93	-	38.93
	1,031.46	**838.63**	**136.88**	**55.95**	**1,031.46**

(All amount in INR Millions unless otherwise stated)

Particulars	Carrying value	On Demand	Less than 1 year	Beyond 1 year	Total
As at 31st March, 2021					
- Borrowings	744.50	579.55	110.16	54.79	744.50
- Trade payables	71.94	-	71.94	-	71.94
- Other Financial Liabilities	22.63	-	22.63	-	22.63
	839.07	**579.55**	**94.57**	**54.79**	**839.07**
As at 31st March, 2020					
- Borrowings	524.25	378.97	88.04	57.24	524.25
- Trade payables	30.89	-	30.89	-	30.89
- Other Financial Liabilities	15.05	-	15.05	-	15.05
	570.20	**378.97**	**133.98**	**57.24**	**570.20**

(iii) Credit Risk

Credit risk is the risk of financial loss arising from counter-party to a financial instrument fail to repay debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables and loans, investments in mutual funds and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk except some loans made by the Group and against which sufficient provision for expected credit loss has been made.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty. Trade receivables consist of a good number of customers. The Group has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents and bank deposits is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

The carrying value of financial assets represents the credit risk. The exposure to credit risk was Rs. 1365.75, 1,084.99, 1,012.16millions, 604.92 and Rs. 553.20 millions , As at September 30, 2022, March 31, 2022, March 31, 2021, March 31, 2020 and April 01, 2019 respectively, being the total carrying value of trade receivables, loans, investments in mutual funds and other financial assets.

(iv) Capital Management

The Group's policy is to maintain a strong capital base for future development of the business. For the purpose of Company's capital management, capital includes issued capital and all other equity attributable to equity shareholders of the Company. As at 31st March, 2022, the Company has only one class of equity shares.

(v) Hedging activity and derivatives

Fair value hedge of Zinc oxide price risk in inventory

The Group is exposed to fluctuations in zinc oxide price arising on purchase, manufacturing and sale of zinc oxide and inventory of zinc oxide lying with the Group. To manage the variability in fair value, the Group enters into derivative financial instruments to manage the risk associated with zinc oxide price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts.

The Group designates certain derivatives as hedging instruments in respect of commodity price risk in cash flow hedges and fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Category wise outstanding derivatives contracts outstanding are as follows:

Derivatives Instrument	Currency	Period ended September 2022		As at March 2022		As at March 2021		As at March 2020	
		No. of deals (Lots)	Amount in foreign currency	No. of deals (Lots)	Amount in foreign currency	No. of deals (Lots)	Amount in foreign currency	No. of deals (Lots)	Amount in foreign currency
Buy forward	USD	17	1.27	3	0.30	4	0.28	-	-
Sale forward	USD	37	2.85	27	2.68	29	2.06	-	-

48 Disclosure of any significant dependence on single or few customer:

Company majorly sell its product to various organisation. Following are the breakup of top 10 Customers:

Particular	Period ended September 2022	Year ended March 2022	Year ended March 2021	Year ended March 2020
Top 10 customers	3177.58	4,634.99	3337.20	3136.39
% age of total Revenue from operation	74.76%	75.63%	76.67%	78.53%

(All amount in INR Millions unless otherwise stated)

49 Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013

For the Period ended 30th September, 2022

Name of the Company	% of Holding	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income	
		As % of Consolidated net assets	Net Assets	As % of Consolidated Profit or Loss	Profit/Loss	As % of Consolidated OCI	Other Comprehensive Income
Parent		57.83%	1,082.50	51.13%	177.19	146.38%	(1.19)
Subsidiaries							
Indian							
BDJ Oxides Private Limited	94.13%	43.85%	820.82	51.81%	179.57	-49.28%	0.40
BDJ Speciality Chemicals Private Limited	99.43%	1.04%	19.41	0.11%	0.37	-	-
Non Controlling Interest		-2.71%	(50.77)	-3.04%	(10.54)	2.89%	(0.02)

For the year ended 31st March, 2022

Name of the Company	% of Holding	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income	
		As % of Consolidated net assets	Net Assets	As % of Consolidated Profit or Loss	Profit/Loss	As % of Consolidated OCI	Other Comprehensive Income
Parent		59.41%	906.68	40.62%	162.49	47.84%	0.37
Subsidiaries							
Indian							
BDJ Oxides Private Limited	94.13%	41.99%	640.84	66.93%	267.74	58.96%	0.46
BDJ Speciality Chemicals Private Limited	99.43%	1.24%	18.85	0.26%	1.03	-	-
Non Controlling Interest		-2.63%	(40.20)	-7.80%	(31.21)	-6.91%	(0.05)

For the year ended 31st March, 2021

Name of the Company	% of Holding	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income	
		As % of Consolidated net assets	Net Assets	As % of Consolidated Profit or Loss	Profit/Loss	As % of Consolidated OCI	Other Comprehensive Income
Parent		69.07%	749.26	29.89%	70.06	81.31%	0.72
Subsidiaries							
Indian							
BDJ Oxides Private Limited	75.30%	39.01%	423.19	92.71%	217.29	24.84%	0.22
BDJ Speciality Chemicals Private Limited	99.43%	1.62%	17.59	0.27%	0.64	-	-
Non Controlling Interest		-9.70%	(105.27)	-22.87%	(53.61)	-6.26%	(0.06)

50 The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.

51 Other Regulatory Information :

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Company has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(viii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
(ix) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

52 All the figures in these notes are in millions in Indian Rupees except otherwise stated.

53 BDJ Speciality Chemicals Private Limited (Transferor Company), a subsidiary company, has submitted with NCLT a scheme of merger u/s 230 & 232 of the Companies Act, 2013 with Vision Projects & Finvest Private Limited (Transferee Company). On sanction of the scheme by NCLT this Company shall merged with the transferee Company from the appointed date being 01.04.2021.

54 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification/disclosure. Accordingly, amounts and other disclosures for the preceding period are included as an integral part of the current period financial Statements and are to be read in relation to the amounts and other disclosures relating to the current period.

As per our report of even date

For and on behalf of the Board of Directors of
J.G.Chemicals Limited (Formerly J.G.Chemicals Pvt. Ltd.)

For S.JAYKISHAN
Chartered Accountants
Firm's Registration Number : 309005E

Suresh Jhunjhunwala
Executive Chairman
DIN No. 00234725

Anuj Jhunjhunwala
Whole time Director & CFO
DIN No. 00234926

CA B.K. Newatia
Partner
Membership No.: 050251
Place : Kolkata
Date: The 17th day of November, 2022.

Anirudh Jhunjhunwala
CEO & Managing Director
DIN No. 00234879

Swati Poddar
CS & Compliance Officer
Membership No. : A49212

(All amount in INR Millions unless otherwise stated)

Part-A Statement of Restatement Adjustments to Audited Financial Statements

The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS is given below:

Particulars	For the period ended September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Net profit for the period under previous Indian GAAP	-	-	274.05	148.24
IND AS adjustments: (refer note 2(a) (1) to the Restated Consolidated Financial Information				
Add/(Less): Gratuity Provision			(1.26)	-
Add/(Less): Effect of fair valuation of financial assets / derivative contracts			12.11	(0.05)
Add/(Less): Tax Expenses			(1.16)	-0.5
Net Profit for the period under Ind AS	**357.14**	423.15	283.75	147.70
Other Comprehensive Income				
Add/(Less): Re-measurement of defined benefit plans	(1.05)	1.12	1.26	-
Add/(Less): Deferred Tax Effects	0.27	(0.28)	(0.32)	-
Total Comprehensive Income under Ind AS	356.35	423.98	284.69	147.70
Material Adjustments on account of :				
Change in accounting policies				
Prior Period items*	-	8.11	12.35	4.17
Non - provisioning, regrouping, other adjustments*	-	-	(8.11)	(12.35)
Audit Qualifications				
Change in estimates				
Total Impact of Adjustments		8.11	4.24	(8.17)
Restated profit after tax for the period/year	356.35	432.09	288.93	139.53

Reconciliation of Other Equity between previous GAAP and Ind AS

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Other Equity under previous GAAP	-	-	1,072.48	851.42
IND AS adjustments: (refer note 2(a) (1) to the Restated Consolidated Financial Information				
Add/(Less): Effect of fair valuation of financial assets	-	-	6.84	(3.19)
Add/(Less): Effect of fair valuation of forward/ derivative contracts	-	-	1.04	0.55
Add/(Less): Actuarial gain/ (loss) on employees defined benefit			-	-
Total IND AS adjustments			**7.88**	**(2.64)**
Other Equity under Ind As	**1,554.75**	**1,513.98**	**1,080.36**	**848.78**
Material Adjustements on account of:				
Change in accounting policies				
Prior Period items*	10.49	10.49	2.38	(9.96)
Non - provisioning, regrouping, other adjustments*	(14.66)	(14.66)	(14.66)	(6.56)
Audit Qualification				
Change in estimates				
Cumulative Impact of of adjustment related to period prior to 31.03.2019**	4.17	4.17	4.17	4.17
Total Impact of Adjustments	**-**	**-**	**(8.11)**	**(12.35)**
Attributable to Non Controlling Interest	**-**	**-**	**0.33**	**0.87**
Equity as per restated consolidated audited financials	1,554.75	1,513.98	1,072.57	837.31

* 1) In the financial statements for the period/years ended 30 September 2022 , 31 March 2022, 31 March 2021 and 31 March 2020, certain liabilities and provisions, were recorded in earlier years, on payment basis. For the purpose of this statement, the said liabilities and provisions have been appropriately adjusted in the respective financial years to which they relate.

Cumulative impact of adjustments related to period prior to 31 March 2019

** 2) The adjustment pertains to reversal of expenses relating to prior period which is adjusted in retained earnings as on 1 April 2019, this has resulted in decrease in opening retained earnings by Rs. 4.17 Millions.

J.G.CHEMICALS LIMITED (Formerly known as J.G.Chemicals Private Limited)
CIN: U24100WB2001PLC093380
Annexure - VIII CAPITALISATION STATEMENT
(All amount in INR Millions unless otherwise stated)

Particulars	Pre-issue as at September 30, 2022 (in Millions)	As adjusted for the proposed issue (Refer to Note No 5 Below)
Debt		
Short Term Borrowings (A)	430.89	[*]
Current maturities of Long term borrowings (B)	29.22	
Non-current Borrowings (C)	78.73	[*]
Non-current financial liabilities - Borrowings (D=B+C)	107.95	
Total borrowings (E=A+D)	**538.84**	[*]
Equity		
Equity Share capital	317.20	[*]
Other Equity, as restated:	1,554.75	[*]
Total Equity (F)	**1,871.95**	[*]
Non-current Borrowings / Equity Ratio (D/F)	0.06	[*]
Total Borrowings / Equity Ratio (E/F)	0.29	[*]

Notes:
1. Short term borrowings represents borrowings due within 12 months from the balance sheet date.
2. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.

3. The above has been computed on the basis of amounts derived from the Restated Consolidated Financial Information prepared as per Ind AS as on September 30, 2022.
4. The Company is proposing to have public issue of shares comprising of Offer for Sale by the Selling Shareholders and issue of new Equity Shares.
5. [*]The corresponding post-Offer capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the completion of Book Building Process and hence, the same have not been provided in the above statement.

J.G.CHEMICALS LIMITED (Formerly known as J.G.Chemicals Private Limited)
CIN: U24100WB2001PLC093380
Annexure - IX OTHER FINANCIAL INFORMATION

(All amount in INR Millions unless otherwise stated)

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations and certain other non GAAP measures are given below:

Particulars	**As at and for the period ended September 30, 2022**	**As at and for the Financial Year ended March 31, 2022**	**As at and for the Financial Year ended March 31, 2021**	**As at and for the Financial Year ended March 31, 2020**
Restated profit for the year/ period attributable to equityshareholders of parent (A) (₹ in million)	346.59	400.05	234.38	129.56
Weighted average number of equity shares for calculation of basic and diluted earnings per share (B)	3,17,20,000	3,17,20,000	3,17,20,000	3,17,20,000
Basic earnings per share (₹) (C = A/B)	10.93	12.61	7.39	4.08
Diluted earnings per share (₹) (D = A/B)	10.93	12.61	7.39	4.08
Reconciliation of return on net worth				
Restated Net worth (A) (₹ in million) (Refer Note 6)	1,822.35	1,476.58	1,084.77	849.51
Restated profit for the year/ period attributable to equity shareholders of parent (B) (₹ in million)	346.59	400.05	234.38	129.56
Return on net worth (%) (C = B/A)	19.02%	27.09%	21.61%	15.25%
Reconciliation of net asset value per share				
Restated Net worth (A) (₹ in million) (Refer Note 6)	1,822.35	1,476.58	1,084.77	849.51
Numbers of Equity Shares outstanding at the of the year /period adjusted for the Impact of Bonus issue after end of the year/period but before the date of filing of this Draft Red Herring Prospectus (B)	3,17,20,000	3,17,20,000	3,17,20,000	3,17,20,000
Net asset value per share (in ₹) (C = A/B)	57.45	46.55	34.20	26.78
Restated profit for the year/ period (A) (₹ in million)	357.13	431.26	287.99	139.53
Total tax expense (B) (₹ in million)	128.23	143.20	124.00	51.58
Finance costs (C) (₹ in million)	24.52	62.51	50.70	61.66
Depreciation and amortisation expense (D) (₹ in million)	13.26	26.80	23.38	18.64
EBITDA (E=A+B+C+D) (₹ in million)	523.14	663.78	486.07	271.41
Revenue from operation (₹ in million)	4,250.72	6,128.30	4,352.98	3,993.91
EBITDA / Revenue from operation (in %)	12.31%	10.83%	11.17%	6.80%

The ratios have been computed as below :

1) Accounting and other ratios have been derived from Restated Financial Information (“RFI”).

2) Basic and diluted earnings per share: Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) and not annualised for six months period ended September 30, 2022 .

3) Return on Net Worth (%) is calculated as Restated profit attributable to equity shareholders of parent for the relevant year / period as a percentage of Net Worth as of the last day of the relevant year / period and not annualised for six months period ended September 30, 2022 .

4) Net Asset Value per share (in ₹): Net Asset Value per equity share is calculated as Net Worth as of the end of relevant year/ period divided by the number of equity shares outstanding at the end of the year / period adjusted for the Impact of Bonus issue after end of the year/period but before the date of filing of this Draft Red Herring Prospectus.

5) Earnings before interest tax depreciation and amortisation (“EBITDA”) : Restated profit for the year/period adjusted to exclude (i) Current tax (ii) Finance costs (iii) Depreciation and amortization expense .

6) Net Worth is derived as below :

(Rs. in millions)

Particulars	**As at and for the period ended September 30, 2022**	**As at and for the Financial Year ended March 31, 2022**	**As at and for the Financial Year ended March 31, 2021**	**As at and for the Financial Year ended March 31, 2020**
Equity Share Capital (A)	317.20	12.20	12.20	12.20
Other Equity (B)	1,554.75	1,513.98	1,072.57	837.31
Less: Capital Reserve arising on consolidation (C)	49.60	49.60	-	-
Networth* (Total) (E= A+B-C)	**1,822.35**	**1,476.58**	**1,084.77**	**849.51**

* “Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss 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, Capital Reserve arising on consolidation,write-back of depreciation and amalgamation as on September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.

The audited standalone financial statements of our Company and subsidiaries, as at and for the period /financial years ended September 30,2022, March 31, 2022 and March 31, 2021, in accordance with the SEBI ICDR Regulations (Collectively the "Audited Financial Statements") are available at https://www.jgchem.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports theron do not constitute, (i) a part of this 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, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements and the reports theron should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any entity in which it or its shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for six months period ended September 2022, the Fiscal 2022, Fiscal 2021, and Fiscal 2020, see "**Restated Consolidated Financial Information – Note 38. Related party transactions**".

As on March 31, 2022, the Company's paid up equity was 12.2 million shares. Pursuant to a resolution of Board of Directors of the Company dated 25th May, 2022 and after shareholders' approval in the EGM dated 31st May,2022, the Company has issued 30.5 million shares in the ratio of 25 shares each for every 1 share held. Hence the pre-offer EPS as on March 31, 2022 , March 31, 2021 and March 31, 2020 should be read as ₹ 12.61,₹ 7.39 and ₹ 4.08 per share respectively, after adjusting for this post fact event.

The NAV as on 31st March 2022, 31st March 2021 and 31st March 2020 is ₹1,210.31, ₹889.61 & ₹669.32 per share respectively. However Pursuant to a resolution of Board of Directors of the Company dated 25th May, 2022 and after shareholders' approval in the EGM dated 31st May,2022, the Company has issued 30.5 million shares in the ratio of 25 shares each for every 1 share held . Hence the pre-offer NAV as on March 31, 2022 , March 31, 2021 and March 31, 2020 should be read as ₹ 46.55, ₹ 34.20 and ₹ 26.78 per share respectively, after adjusting for this post fact event

Statement showing List of Subsidiaries:

Sl. No.	Name of the Subsidiaries	No of Shares held	% Holding
1	BDJ Oxides Pvt. Ltd.	2,50,000	94.13%
2	BDJ Speciality Chemicals Pvt. Ltd.	17,40,000	99.43%

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	**As at and for the six months period ended September 30, 2022**	**As at and for the year ended March 31, 2022**	**As at and for the year ended March 31, 2021**	**As at and for the year ended March 31, 2020**
Basic EPS (in ₹)	10.93*	12.61	7.39	4.08
Diluted EPS (in ₹)	10.93*	12.61	7.39	4.08
Return on net worth (%)	19.02	27.09	21.61	15.25
Net asset value per equity share (in ₹)	57.45	46.55	34.20	26.78
EBITDA (in ₹ million)	523.14	663.78	486.07	271.41

** Not annualised*

Notes: *The ratios have been computed as under:*

1. *Basic and diluted EPS: Restated profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share.*
2. *Return on Net Worth: Restated profit attributable to equity shareholders of parent for the relevant year / period as a percentage of Net Worth as of the last day of the relevant year / period.*
3. *Net assets value per share (in ₹): Net asset value per share is calculated by dividing Net Worth as of the end of relevant year/ period divided by the number of equity shares outstanding at the end of the year / period adjusted for the Impact of Bonus issue after end of the year/period but before the date of filing of this Draft Red Herring Prospectus.*
4. *EBDITA means Profit before depreciation, finance cost, tax and amortization.*
5. *Accounting and other ratios are derived from the Restated Consolidated Financial Information.*

In accordance with the SEBI ICDR Regulations the audited standalone financial statements of the Company for the financial years ended March 31, 2022, March 31, 2021, and March 31, 2020 (collectively, the "**Audited Financial Statements**") are available on our website at https://jgchem.com/financials/.

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, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing to or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain. None of our Company or any of its advisors, nor any BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS24 'Related Party Transactions' read with SEBI ICDR Regulations for the six months period ended September 30, 2022, the years ended March 31, 2022, March 31, 2021, and March 31, 2020 as reported in the Restated Consolidated Financial Information, please see "*Restated Consolidated* F*inancial Information – Note no. 38 - Related Party Transactions*" on page 268.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2022, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 32, 235 and 291, respectively.

(*in ₹ million, except ratio*)

Particulars		Pre-Offer as at September 30, 2022	Post-Offer as at [●]*
Borrowings:			
Short term borrowings	**(A)**	430.89	[●]
Current maturities of Long term borrowings	**(B)**	29.22	[●]
Non- current borrowings	**(C)**	78.73	[●]
Non- current financial liabilities – borrowings	**(D= B+C)**	107.95	[●]
Total borrowings	**(E= A+D)**	**538.84**	[●]
Equity:			
Equity Share capital		317.20	[●]
Other equity, as restated:		1,554.75	[●]
Total Equity	**(F)**	**1,871.95**	[●]
Non-Current borrowings / Equity Ratio	**(D)/(F)**	**0.06**	
Total Borrowings / Equity Ratio	**(E)/(F)**	**0.29**	[●]

**The corresponding post Offer capitalisation data in the above table is not determinable at this stage pending the completion of the book building process for the Offer and hence, the same have not been provided in this statement.*

Notes:

1. *The above has been computed on the basis of the Restated Consolidated Financial Information prepared as per Ind AS as on September 30, 2022.*
2. *Short term borrowing represents borrowings due within 12 months from the balance sheet date.*
3. *Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations is based on, and should be read in conjunction with, our Restated Consolidated Financial Information, included in the section titled "Financial Information" beginning on page 235 of this Draft Red Herring Prospectus.

Our Restated Consolidated Financial Information has been derived from our audited consolidated financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. For further details, please see "Risk Factor - Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus." on page 60 of this Draft Red Herring Prospectus.

Unless otherwise indicated or the context requires otherwise, the financial information for the six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020 included herein have been derived from Restated Consolidated Financial Information.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

Some of the information contained in this section, including information with respect to our strategies, contain forward looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 20 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the sections titled "Risk Factors" and "Our Business" on pages 32 and 172, respectively, of this Draft Red Herring Prospectus for discussion of certain factors that may affect our business, results of operations and financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further details, please see section titled "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the CARE Report which has been exclusively commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 53. Also please see section titled "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 18. Further, we have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Consolidated Financial Information or otherwise subjected to an examination, audit or review by our Statutory Auditors.

Overview

We are India's largest zinc oxide manufacturer in terms of production and revenue for zinc oxide manufacturing through French process, which is the dominant production technology for producing zinc oxide and has been adopted by all the major producers in Americas, Europe and Asia *(Source: CARE Report)*. The market share of our Company is around 30% as on March 2022 *(Source: CARE Report).* We sell over 80 grades of zinc oxide and are among the top ten manufacturers of zinc oxides globally *(Source: CARE Report).* Since our incorporation in 2001, we have expanded our business and scale of operations and have grown into a large, diversified zinc oxide player with a global footprint. Our products cater to a wide spectrum of industrial applications, including in the rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed.

Owing to our legacy of over four decades in manufacturing businesses, we benefit from our experience in catering to a wide array of customers and we have built a long-standing relationship with customers across end-user industries in the tyres, ceramics, rubber, paints, cosmetics and batteries industry Over the last three years, we marketed and sold our products to over 200 domestic customers and over 50 global customers in more than 10 countries.

In India, tyre industry accounts for 70% of rubber consumption *(Source: CARE Report)* and the companies in the tyre industry are the largest consumers of our product. Along with being suppliers to 9 out of top 10 global tyre manufacturers and to all of the top 11 tyre manufacturers in India, we also supply to leading paints manufacturers, footwear players and cosmetics players in India *(Source: CARE Report).* Our Material Subsidiary is the only zinc oxide manufacturing facility in India to have an IATF certification, which is preferred by tyre manufacturers supplying to original equipment manufacturers *(Source: CARE Report)*. The table below, demonstrates the percentage of our sales to the various end-use industries we cater to:

(as a % of our revenue from operations)

Industry	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Rubber and tyres	89.66	90.10	89.20	89.90
Pharmaceuticals & chemicals	6.94	6.37	7.48	6.14
Agriculture	1.18	2.06	1.79	1.53
Others*	2.22	1.47	1.53	2.43
Total	**100.00**	**100.00**	**100.00**	**100.00**

**includes ceramics, paints & coatings, electronics & batteries, lubricants, oil & gas and animal feed end-user industries.*

As a manufacturer of zinc oxide, it is a pre-requisite in most of our end-use industries for our products to be approved by customers, which usually acts as a significant entry barrier. Further, high cost of product development, complexity of the chemistry involved in innovating and tailoring our products to the customised needs of our customers, necessary technical expertise and lengthy and stringent supplier qualification process are the other entry barriers in our business. For further details on entry barriers, please see section titled '*Our Business-Competitive Strengths'* on page 174.

Our aggregate installed capacity of 77,040 MT per annum is spread across our three manufacturing facilities located at (i) Jangalpur (Kolkata, West Bengal); (ii) Belur (Kolkata, West Bengal); and (iii) Naidupeta (Nellore District, Andhra Pradesh), which is our largest manufacturing facility and is owned and operated by our Material Subsidiary.

Financial Year / Date	Installed Capacity		
	Zinc Oxide	Zinc Ingot	Zinc Sulphate and other allied chemicals
As at October 31, 2022	59,904	7,056	10,080
2022	46,464	5,040	NA
2021	38,832	NA	NA
2020	38,832	NA	NA

The installed capacity of our Naidupeta Facility specified above, has recently been augmented by an additional 13,440 MTPA for zinc oxide and 10,080 MTPA for zinc sulphate and other allied chemicals. All processes at our manufacturing facilities are undertaken with modern engineering systems to minimize emissions. We have installed recuperators in most of our furnaces to reduce our carbon footprint. We have also been granted the consent and hazardous waste authorisation order under the 'Orange Category' for generation, collection, storge, transport, reuse, recycling, utilisation, processing and treatment or any other use of hazardous or wastes and permissible quantity of emissions per hour at all our manufacturing facilities, by the respective state pollution control boards. In addition to the aforesaid accreditations, we are also a member of the All-India Rubber Industries Association, India Lead Zinc Development Association, Bureau of International Recycling, Indo-German Chambers of Commerce, Material Recycling Association of India, Chemicals and Allied Products Export Promotion Council and the International Zinc Association.

All our manufacturing facilities have been accredited with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015. With an intention to supply to customers in the European Union, we have also obtained the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals, Regulation (EC) No. 1907/2006) certification which allows us to supply our products to the European Union. Our recognition as a 'One Star Export House' by the Director General of Foreign Trade, Ministry of Commerce & Industry valid, from 2018 to 2023, signifies that our Company has excelled in international trade and has successfully contributed to country's foreign trade *(Source: Foreign Trade Policy, 2015-2020).* In the year 2021, Apollo Tyres Limited awarded us with the Apollo Gold Partner Award- Quality Champion for our significant contribution towards business partnership. We are also a member of the All India Rubber Industries Association and the Merchant's Chamber of Commerce & Industry since September 5, 2018. Our facilities are also subject to periodic audits by our customers, which ensures that our customers are able to continually confirm the quality of our product and evaluate our manufacturing processes. Further, our audit scores based on customer evaluations have been consistently in the higher end of the spectrum, which reflects the confidence of our customers in our products and processes.

We procure our raw materials from multiple domestic and global suppliers. Our primary raw materials are virgin zinc metal and Zinc Dross (which is a type of zinc scrap). We procure virgin zinc metal from various domestic and global entities. Zinc Dross is primarily produced by steel galvanizers as a by-product of steel production. The availability of zinc scrap is a challenge and the biggest constraint for new entrants in the market is to build a global supply network. Most of the Zinc Dross which comes from western countries is through old and established trading houses who work based on long term relationships and refrain from doing business with new entrants due to a wide range of complexities associated with dealing in Zinc Dross *(Source: CARE Report).* Our ability to utilise Zinc Dross for the production of zinc oxide helps us in reducing the carbon footprint since a by-product is used for production of our final product. Due to the difficult sourcing pattern of Zinc Dross, several zinc oxide facilities have faced supply side constraints due to which they have been forced to shut / curtail production and therefore, new players are often reluctant to enter the zinc oxide business *(Source: CARE Report).* We have successfully built a strong network of domestic suppliers as well as a diverse & global supplier base having procured raw materials from over 100 global suppliers in the last three years. Our extensive global supplier base enables us to evaluate the various available options and choose according to our commercial considerations. Some of these relationships have been nurtured over the years, enabling us to be termed as a preferred customer for various global suppliers of Zinc Dross.

For the six months period ended September 30, 2022, Fiscals 2022, 2021 and 2020, our revenue from operations were ₹ 4,250.72 million, ₹ 6,128.30 million, ₹ 4,352.98 million and ₹ 3,993.91 million, respectively. Our revenue from operations, grew at a CAGR of 23.87% between Fiscals 2020 and 2022. For the six months period ended September 30, 2022, Fiscals 2022, 2021 and 2020, our restated profit after tax for the year was ₹ 357.13 million, ₹ 431.26 million, ₹ 287.99 million and ₹ 139.53 million, respectively. Our restated profit after tax, grew at a CAGR of 75.81% between the Fiscals 2020 and 2022.

Principal factors affecting our financial condition and results of operations

Our business, financial performance and results of operations are influenced by a variety of factors, including without limitation, global and domestic competition, demand from our end-user industries, general economic conditions, changes in costs of raw materials and government regulations and policies. Some of the more important factors are discussed below, as well as in the section titled "*Risk Factors*" on page 32.

Dependence of demand from end-user industries

As on the date of this Draft Red Herring Prospectus, we market and sell our products to end-user industries including rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed. Consequently, our revenues are dependent on the end-use industries that use our products as a raw material. The demand for the end products manufactured by our customer is affected by a number of factors including, but not limited to (a) our customers' failure to successfully market their products or to compete effectively, (b) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products, (c) economic conditions of the markets in which our customer operates, and global macroeconomic conditions. Further, each end user industry, in particular the pharmaceuticals & cosmetics, the agro-chemicals and fertilizers and speciality chemical industries, is subject to applicable regulations. Therefore our results of operations are dependent on demand from the end-user industries. Decrease in demand from the end-user industries may result in increased inventories which may lead to increase in holding cost thereby impacting our results of operations and financial condition.

Significant reliance on Tyre and Rubber Industry

Automotive industry, in general, is the largest consumer of rubber. Tyre as a component, constitutes the largest consumers of rubber within the automotive industry where there is maximum rubber usage. In India, tyre industry accounts for 70% of rubber consumption *(Source: CARE Report)*. The increased production in automotive industry supported by high disposable income and rise in demand for electric vehicles will drive the growth of rubber industry (*Source: CARE Report*). Our customers in tyre and rubber industry have contributed ₹ 3,811.30 million, ₹ 5,521.60 million, ₹ 3,882.86 million and ₹ 3,590.53 million constituting 89.66%, 90.10%, 89.20% and

89.90% of our revenue from operations for the six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, respectively.

In the last five Fiscals, the tyre industry has grown at a CAGR of 0.32%, (*Source: CARE Report*) whereas in the same period, we have grown our volumes at a significantly higher CAGR of 12.10%. Despite slow growth of our biggest end-use industry customer, we have been able to sustain our growth primarily on account of (i) our long term relationships with tyre companies which have been developed through our products we offer them; (ii) our ability to scale up production as per our customer requirements; (iii) certainty of and on time supply of our products to our customers; and (iv) our ability to price our products appropriately and offer the right quality to our customers; (iv) our ability to offer new range of products as per our customer requirements; (iv) our ability to acquire customers across new Application Industries. Further, even though the demand in the automotive sector has been slow in the last few Fiscals, we have been benefited from 50-55% of the tyre sales in the replacement market, which continues to grow (*Source: CARE Report*). Our future performance will be impacted by the performance of the automobile industry and any downturn in the automobile industry may have a direct adverse impact on our results of operations and financial condition.

Reliance on our key customers

We are India's largest zinc oxide speciality chemical manufacturer in terms of production and revenue for zinc oxide manufacturing through French process, which is the dominant production technology for producing zinc oxide and has been adopted by all the major producers in Americas, Europe and Asia *(Source: CARE Report).* The market share of our Company is around 30% as on March 2022 *(Source: CARE Report).* We manufacture all grades of zinc oxide and are among the top ten manufacturers of zinc oxides globally *(Source: CARE Report).* Zinc oxide acts as a vulcanization agent for rubber *(Source: CARE Report)*. Different grades of Zinc oxide are used by different manufacturers depending on their processes and end product. Apart from catering to the tyre and other rubber products/ industry, we also supply our products to other industries such as ceramics, lubricants, additives, pharmaceuticals industries, paints, electronics, agriculture, cosmetics, speciality chemicals, coatings, oil and gas, latex products and animal feed. Our customer base currently comprises a host of multinational and domestic companies. The zinc oxide manufacturing industry has high entry barriers owing to stringent vendor approval process by tyre manufacturers and speciality chemical industry, raw material tie-ups, technical expertise, large working capital requirements and supplier customer relationship. Our long-term association with key customers also offers significant competitive advantages such as revenue visibility, industry goodwill and proven quality assurance. Further, our ability to manage and sustain customer relationships is critical to our business. Of our revenue from operations for the six months period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, our top 10 customers contributed approximately 74.76%, 75.63%, 76.67% and 78.53%, respectively. We expect that we will continue to rely on our key customers for the foreseeable future. Further, the success of our key customers' business will have direct impact on our business, financial conditions and results of operations.

Impact of COVID-19

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Draft Red Herring Prospectus, it is still ongoing and rapidly evolving. The GoI initiated a nation-wide lockdown from March 24, 2020, that lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. We were required to shut down our manufacturing activities and operations during the nationwide lockdown. However, the activities resumed after a period of fourteen days at our Jangalpur and Naidupeta facilities and after a period of one hundred and thirty-five days at our Belur Facility. For further details, please see section "*Risk Factors — The extent to which the outbreak of COVID – 19 could have an impact on our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.*" on page 38.

Further, COVID-19 has demonstrated a propensity for mutating and the resultant new strains may continue for some time to come. While we expect the deleterious impact of COVID-19 to taper over the course of time, any prolonged shut down of business operations or industry due to circumstances occasioned by the COVID-19 could adversely impact our business, results of operation and our financial condition. Events beyond our control may unfold in the future, which makes it difficult for us to predict the extent to which the COVID-19 pandemic will impact our Company's operations and results. We continue to closely monitor the effect that COVID-19 may have on our business and results of operations.

Cost and availability of raw materials

Our business is significantly affected by the availability, supply, cost and quality of raw materials. We procure our raw materials from multiple domestic and global suppliers. Our primary raw materials are virgin zinc metal and Zinc Dross/scrap. We usually do not enter into long-term supply contracts with our suppliers of Zinc Dross and typically, source Zinc Dross from domestic and international third-party suppliers, including steel galvanizers by way of issuing purchase orders or by participating in online auctions. However, we have established long-standing relationships with certain of our suppliers over a decade. During the six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, our cost of materials consumed was ₹ 3,398.35 million, ₹ 5,062.84 million, ₹ 3,454.48 million and ₹ 3,394.34 million, which was 79.95%, 82.61%, 79.36%, and 84.99% of our revenue from operations, respectively.

Capacity utilisation and product mix

Our aggregate installed capacity of 77,040 MTPA is spread across our three manufacturing facilities located at (i) Jangalpur (Kolkata, West Bengal); (ii) Belur (Kolkata, West Bengal); and (iii) Naidupeta (Nellore District, Andhra Pradesh), which is our largest manufacturing facility and is owned and operated by our Material Subsidiary. Our aggregate installed capacity at our manufacturing facilities is set out below:

Financial Year / Date	Product Mix		
	Zinc Oxide	Zinc Ingot	Zinc Sulphate and other allied chemicals
As at October 31, 2022	59,904	7,056	10,080
2022	46,464	5,040	NA
2021	38,832	NA	NA
2020	38,832	NA	NA

The installed capacity of our Naidupeta Facility specified above, has recently been augmented by an additional 13,440 MTPA for zinc oxide and 10,080 MTPA for zinc sulphate and other allied chemicals. All processes at our manufacturing facilities are undertaken with modern engineering systems to minimize emissions. We have installed recuperators in most of our furnaces to reduce our carbon footprint. We have also been granted the consent and hazardous waste authorisation order under the 'Orange Category' for generation, collection, storge, transport, reuse, recycling, utilisation, processing and treatment or any other use of hazardous or wastes and permissible quantity of emissions per hour at all our manufacturing facilities, by the respective state pollution control boards.

However, our actual production is dependent on various factors that may be beyond our control including break-down of our plant and machinery, industrial accidents, etc. We constantly strive to optimize our actual production and augmenting our operational efficiencies by optimizing our manufacturing processes and working closely with our customers to understand their requirements on an ongoing basis.

Government Regulations and Policies

Government regulations and policies of India as well as the countries from where we import our raw materials can affect the availability of raw materials that are critical to our operations. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. These regulations and policies and the tax regimes to which we are subject could change at any time, with little or no warning or time for us to prepare. Any changes in government policies relating to the specialty chemicals sector or adverse changes in commodity prices could adversely affect our business and results of operations. Further, two of our manufacturing facilities are located in Kolkata, West Bengal and one of manufacturing facility is located in Nellore district in Andhra Pradesh and any significant changes in the policies of the respective states or local governments or the Government of India, could require us to incur significant capital expenditure and change our business strategy.

Key Performance Indicators and Non-GAAP Financial Measures

EBITDA and EBDIT (%) of Revenue from Operations

Set out in the table below are our earnings before interest, taxes, depreciation, and amortization expenses (**EBITDA**) from our profit before tax, as restated, and the manner in which it is calculated for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

(in ₹ million)

Particulars	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Restated Profit before tax	485.36	574.46	411.99	191.10
Add: Finance costs	24.52	62.51	50.70	61.66
Add: Depreciation and amortization expense	13.26	26.80	23.38	18.64
EBITDA(1) (A)	523.14	663.78	486.07	271.41
Revenue from operations(2) (B)	4,250.72	6,128.30	4,352.98	3,993.91
EBDIT (%) of Revenue from Operations (A/B) (%)	12.31%	10.83%	11.17%	6.80%

(1) EBDITA means Profit before depreciation, finance cost, tax and amortization.
(2) Revenue from operation means revenue from sales, service and other operating revenues

Key Performance Indicators

(in ₹ million except percentages and ratios)

Key Financial Performance	Six months period ended September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations(1)	4,250.72	6,128.30	4,352.98	3,993.91
Total Income(2)	4,322.03	6,230.47	4,404.05	4,072.69
EBITDA(3)	523.14	663.78	486.07	271.41
EBDITA Margin (%)(4)	12.31%	10.83%	11.17%	6.80%
PAT	357.13	431.26	287.99	139.53
PAT Margin (%)(5)	8.40%	7.04%	6.62%	3.49%
Operating Cash Flows	420.09	67.52	(73.46)	408.67
Net Worth(6)	1,822.35	1,476.58	1,084.77	849.51
Net Debt(7)	(586.51)	(39.59)	(136.22)	45.39
Debt Equity Ratio(8)	0.29	0.62	0.69	0.62
ROCE (%)(9)*	21.15%	25.83%	25.27%	18.36%
ROE (%)(10)*	20.40%	30.64%	24.23%	16.47%

**Not Annualised*

Notes:

(1) *Revenue from operation means revenue from sales, service and other operating revenues.*

(2) *Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.*

(3) *EBITDA means Profit before depreciation, finance cost, tax and amortization*

(4) *'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.*

(5) *'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.*

(6) *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss 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, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.*

(7) *Net Debt is total of short term borrowing, long term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.*

(8) *Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long term debt) and equity share capital plus other equity.*
(9) *Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short Term Borrowing.*
(10) *Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.*

For further details, please see section titled "*Basis for Offer Price-Key Operational and Financial Performance Indicators*" on page 120.

Significant Accounting Policies

The principal accounting policies applied in the preparation of these Restated Consolidated Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation and Presentation of Restated Consolidated Financial Information

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act, 2013 ("**the Act**") read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act and other accounting principles generally accepted in India.

The Restated Consolidated Financial Information of the Group have been prepared by the management for the purpose of inclusion in the draft red herring prospectus ("**DRHP**"), red herring prospectus ("**RHP**") and the prospectus ("**Prospectus**" collectively with DRHP and RHP referred to as "**Offer Documents**") to be prepared by the Company for filling with the Securities Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, the Registrar of Companies, West Bengal at Kolkata in connection with its proposed Initial Public Offer ("**IPO**") in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended and any rules issued thereunder (the "**Act**");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

The Restated Consolidated Financial Information have been compiled by the Company's management from:

a) Audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the six months period ended September 30, 2022 which have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India (the "**Special Purpose Interim Consolidated Financial Statements**"), which have been approved by the Board of Directors at their meeting held on November 17, 2022.

b) Audited consolidated Ind AS Financial Statements of the Group as at and for year ended March 31, 2022, prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 18, 2022.

c) Audited Special purpose consolidated financial statements of the Group as at and for years ended March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 16th September, 2022. The financial information for the years ended March 31, 2021 and March 31, 2020 included in the special purpose consolidated Ind AS financial statements are based on the previously issued statutory consolidated financial statements prepared for the years ended March 31, 2021 and March 31, 2020 in accordance with the Companies (Accounting Standard) Rules, 2006 & audited and reported by erstwhile statutory auditor M/s B. Chhawchharia & Co., Chartered Accountants having firm registration number 305123E who has issued an unmodified audit opinion vide audit reports dated 25th October, 2021 and 3rd December,2020 respectively and which has been translated into figures as per Ind AS after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company."

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note no. 47 of the Restated Consolidated Financial Information. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2019, as required by Ind- AS 101.

(ii) Basis of Consolidation

The restated consolidated financial statements have been prepared on the following basis:

Investment in Subsidiary

The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

Profits or losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

There is no difference in accounting policies of the Holding Company and its subsidiaries.

The Restated Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The carrying amount of the parent's investment in the subsidiary is offset (eliminated) against the parent's portion of equity in the subsidiary.

Non-Controlling Interest's share of profit/loss of the consolidated subsidiary for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

Non-Controlling Interest's share of net assets of the consolidated subsidiary is identified and presented in the Consolidated Balance Sheet.

Statement showing percentage holding of the Company in its Subsidiaries:

Sl. No.	Name of Subsidiary	September 30, 2022		Year 2022		Year 2021		Year 2020	
		No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
1	BDJ Oxide Private Ltd	2,50,000	94.13%	2,50,000	94.13%	2,50,000	75.30%	2,50,000	75.30%
2	BDJ Speciality Private Ltd.	1,740,000	99.43%	1,740,000	99.43%	1,740,000	99.43%	1,740,000	99.43%

(iii) Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except certain financial assets and liabilities that is measured at fair value;

(iv) Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

(v) Fair value measurements

Fair value is the price that would be received on sale of an asset or paid on derecognition of a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurements.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e., available prices) or indirectly (i.e., derived from estimation). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is applicable to listed instruments where market is not liquid and for unlisted instruments.

The management considers the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognized in the financial statements are at their approximate fair value as on September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2022.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

(vi) Functional and Presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash at banks and on hand, and fixed deposits which are subject to an insignificant risk of change in value.

(c) Accounting for Taxes on Income

Income Tax expense or credit for the period is the tax payable on the current period taxable income based on the applicable Income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

(ii) *Deferred* Tax

Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(d) PROPERTY, PLANT AND EQUIPMENT

(i) Tangible Assets

Recognition and Measurement

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less any accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Subsequent Measurement

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Depreciation and Amortization

Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation. The estimated useful lives of assets for the current period are as follows:

Category	Useful Life
Factory Shed & Building	30 Years
Plant & Machinery (Continuous process plant)	25 Years
Plant & Machinery (General)	15 Years
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Computers & Devices	3 Years

Vehicles-Motor Car	8 Years

Depreciation on additions/ disposals during the year is provided on a pro-rata basis i.e., from/ up to the date on which asset is ready for use/ disposed of.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognized as of 1 April, 2019 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production/ use.

(e) Intangible Assets

Intangible assets are stated at cost of acquisition/deemed cost on transition date, comprising of purchase price less accumulated amortization and impairment losses, if any. Depreciable amount of such assets is allocated on systematic basis on the best estimates on straight line method.

Cost of software including directly attributable cost, if any, acquired for internal use, is allocated / amortized over a period of 3 - 5 years (being estimated useful life thereof) on straight line method.

(f) Inventory

Inventories are valued at lower of the cost or net realizable value. Cost is ascertained on ‘FIFO’ basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be utilised are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost and includes appropriate portion of overheads.

(g) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when the Company satisfies the performance obligation by transferring the promised goods or service to a customer.

(i) Sales

Revenue from Sale of goods is recognised at the fair value of consideration received or receivable when the significant risk and rewards of goods ownership have been transferred. Revenue from Sales of Services has been recognised by reference to the stage of completion of the services provided at the end of the reporting date.

(ii) Interest Income

Interest income is recognised using the effective interest rate.

(iii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(iv) Export Benefits

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when realised.

(v) Income from investment

Profit / (loss) earned from sale of securities is recognised on the trade date.

(vi) All other income is accounted for on accrual basis when right to receive is established unless otherwise specified.

(h) Employee Benefits

Short-term Employee Benefits are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

Post-Employment benefit includes:

Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Other costs recognised in the Statement of Profit or Loss.

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Financial assets*

Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value and in the case of financial assets not recorded at fair value through profit or loss, at the transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Measured at Amortized Cost;
ii) Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
iii) Measured at Fair Value Through Profit or Loss (FVTPL);
iv) Equity Instruments are measured at Fair Value Through Profit and Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

i) the asset is held within a business model whose objective is achieved by collecting contractual cash flows; and

ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

i) the objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
ii) the asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss.

i) Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

ii) Equity Instruments measured at FVTPL: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. All other equity instruments are also classified as at FVTPL.

Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset substantially with all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

Write-off policy

The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

(ii) *Financial Liabilities*

Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, at fair value through profit or loss - loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

(iii) *Derivatives Financial Instruments*

The Company uses forwards & options derivative financial instruments commodity contracts to mitigate the risk of changes in commodity prices. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently 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. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair value hedge:

Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively.

Cash flow hedge:

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of Profit and Loss.

Others:

Changes in fair value of foreign currency derivative instruments not designated as hedges are recognized in the profit and loss account.

(j) Investment in subsidiaries

The Company accounts for its investments in subsidiaries at cost less accumulated impairment, if any.

(k) Insurance Claims

Insurance claims are accounted as and when admitted/settled.

(l) Borrowings Cost

Borrowing costs comprises interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying fixed assets which are capitalized. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

In respect of foreign currency borrowings, where the interest rate of the borrowing is less than the commercial interest rate prevailing in the local currency borrowing, the resultant exchange loss on account of Foreign Exchange is included in the borrowing cost to the extent it does not exceed the difference between the cost of borrowing in functional currency when compared to the cost of borrowing in a foreign currency.

(m) Foreign Currency Transaction

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of Profit and Loss account. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

(n) Government Grant

Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under “Other Income” or deducted from the related expenses. Grants relating to fixed assets are credited to Deferred Income

Account, as and when the ultimate reliability of such grants is established. Grant relating to non-depreciable assets is credited to Statement of Profit and Loss Account over the periods that bear the cost of meeting the obligations related to such grants.

(o) Earnings per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equities shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equities shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(p) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(q) Provision, Contingent Liabilities and Contingent Assets, legal or constructive

Provisions involving substantial degree of estimation in measurement are recognized at discounted amount (other than current) when there is a legal or constructive obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or 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. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable

(r) Critical estimates and judgements

The Company makes estimates and assumptions that affect the amounts recognised in the Restated Consolidated Financial Information, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have most significant effect on the amount recognised in the Restated Consolidated Financial Information and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following;

(i) Depreciation and amortization

Depreciation and amortization are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges.

(ii) *Impairment loss on trade receivables*

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance and credit-worthiness of the trade receivables. If the financial conditions of the trade receivable deteriorate, actual write-offs would be higher than estimated.

(iii) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

(iv) *Deferred Tax*

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the Company.

(v) *Provisions and Contingencies*

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

(vi) *Employee Benefits*

The present value of the defined benefit obligations and long-term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

(s) Recent Indian Accounting Standards (Ind AS)/ Pronouncements

Ministry of Corporate Affairs ("**MCA**") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Principal Components of Statement of Profit and Loss

Income

Our total income comprises revenue from operations and other income.

Revenue from operations: Revenue from operations comprises income from the sale of finished goods, and (ii) other operating revenue viz. (a) sale of traded goods; (b) sale of raw materials and (c) exports benefits.

Other income: Other income primarily comprises interest income from loans measured at amortised cost, profit on sale of plant, property and equipment, net gain/(loss) on foreign exchange fluctuation, net gain/(loss) on derivative instruments (includes gain/ (loss) on fair valuation of derivatives as at period end), profit on sale of investment, net gain/(loss) on investments measured at fair value through profit and loss ("**FVTPL**"), dividend income from investment measured at FVTPL, insurance claim received, Commission and incentive received, miscellaneous income and rent received.

Expenses

Expenses consist of cost of raw materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, stock-in-trade and work-in-progress, employee benefits expenses, finance costs, depreciation and amortization expense and other expenses.

Cost of materials consumed: Our cost of materials consumed primarily includes change in inventories of raw material, purchase of raw materials such as virgin zinc metal, Zinc Dross, remelted zinc ingots for our manufacturing processes.

Purchases of stock-in-trade: Purchases of stock-in-trade relates to costs incurred for the procurement of inventories primarily comprising of zinc metal and zinc oxide.

Changes in inventory of finished goods, stock-in-trade and work-in-progress: The changes in inventory of finished goods, stock-in-trade and work-in-progress is the difference between opening stock and closing stock of the finished goods and stock-in-trade.

Employee benefit expense: Employee benefits expense comprises salaries, wages and bonus, contribution to provident and other funds and staff welfare expenses.

Finance costs: Finance cost comprises interest expenses and other borrowing cost.

Depreciation and amortization expense: Depreciation and amortization expense relate to depreciation of tangible assets (property, plant and equipment) and amortization of intangible assets. Intangible assets include computer software.

Other expenses: Other expenses primarily comprise expenses relating to consumption of stores and spares, packing materials, power and fuel, material handling, machinery hire & other charges, carriage outward, rent, rates & taxes, auditors remuneration, discount and commission, legal and professional fees, sales promotion expenses, repairs and maintenance, travelling and conveyance, postage, telephone, and stationery expenses, waste disposal charges, fees and subscription, insurance charges, bank charges, processing charges, security expenses, vehicle expenses, charity & donation, CSR expenses and directors sitting fees.

Tax Expense

Tax expense consists of current tax, deferred tax and income tax for earlier years.

Results of Operations

The following table sets forth selected financial data from our restated consolidated statement of profit and loss for the six months period ended September 30, 2022, Fiscals 2022, 2021 and 2020, the components of which are also expressed as a percentage of total income for such years.

(in ₹ million, except percentages)

Particulars	Six months period ended September 30, 2022		Financial Year 2022		Financial Year 2021		Financial Year 2020	
	Amount	**% of Total Income**	**Amount**	**% of Total Income**	**Amount**	**% of Total Income**	**Amount**	**% of Total Income**
Income from Operations								
Revenue from operations	4,250.72	98.35	6,128.30	98.36	4,352.98	98.84	3,993.91	98.07
Other Income	71.31	1.65	102.17	1.64	51.07	1.16	78.78	1.93
Total Income (I)	4,322.03	100.00	6,230.47	100.00	4,404.05	100.00	4,072.69	100.00
Expenses:								
Cost of materials consumed	3,398.35	78.63	5,062.84	81.26	3,454.48	78.44	3,394.34	83.34
Purchase of stock-in-trade	-	-	4.97	0.08	5.19	0.12	19.32	0.47
Changes in inventory of stock-in-trade	(3.28)	(.08)	(109.34)	(1.75)	30.50	0.69	(10.33)	(0.25)
Employee benefit expense	70.25	1.63	133.11	2.14	102.99	2.34	96.90	2.38
Finance costs	24.52	0.57	62.51	1.00	50.70	1.15	61.66	1.51
Depreciation and amortization expense	13.26	0.31	26.80	0.43	23.38	0.53	18.64	0.46
Other expenses	333.57	7.72	475.11	7.63	324.83	7.38	301.05	7.39
Total expenses (II)	3,836.67	88.77	5,656.01	90.78	3,992.06	90.65	3,881.59	95.31
Restated Profit/(loss) before tax (III = I-II)	485.36	11.23	574.46	9.22	411.99	9.35	191.10	4.69
Tax expense, comprising:								
- Current tax expense	122.70	2.84	145.05	2.33	105.12	2.39	49.99	1.23
- Deferred tax	5.14	0.12	(1.79)	(0.03)	1.93	0.04	1.59	0.04
- Income tax adjustment for earlier years	0.39	0.01	(0.05)	(0.00)	16.94	0.38	0.00	0.00
Total tax expense (IV)	128.23	2.97	143.20	2.30	124.00	2.82	51.58	1.27
Restated Profit/(loss) for the period / year (V = III-IV)	357.13	8.26	431.26	6.92	287.99	6.54	139.53	3.43

Six months ended September 30, 2022

Income

Our total income was ₹ 4,322.03 million during the six months period ended September 30, 2022.

Revenue from Operations

Our revenue from sale of finished goods was ₹ 4,225.04 million during six months period ended September 30, 2022.

Our revenue from sale of traded goods was ₹ 22.22 million during six months period ended September 30, 2022.

Other Income

Our other income was ₹ 71.31 million during six months period ended September 30, 2022, primarily consisting of net gain on derivative instruments at FVTPL amounting to ₹ 57.85 million, net gain in foreign exchange fluctuation on account of import / export transactions amounting to ₹ 20.72 million, profit on sale of investments amounting to ₹ 7.44 million, miscellaneous income amounting to ₹ 1.32 million, interest income amounting to ₹ 1.15 million in six months period ended September 30, 2022 which was partially offset by decrease in profit on sale of investments measured at FVTPL amounting to ₹ 17.31 million.

Expenses

Our total expense was ₹ 3,836.67 million during six months period ended September 30, 2022.

Cost of materials consumed

Our cost of materials consumed was ₹ 3,398.35 million during six months period ended September 30, 2022, primarily consisting of changes in raw material consumed (including cost of materials sold amounting to ₹ 2.75 million).

Purchase of stock-in-trade

Our purchase of stock-in-trade was Nil during six months period ended September 30, 2022.

Changes in inventory of finished goods, stock-in-trade and work-in-progress

Changes in inventories of finished goods amounted to ₹ (3.28) million during six months period ended September 30, 2022.

Employee benefits expense

Employee benefit expenses was ₹ 70.25 million during six months period ended September 30, 2022, primarily attributable to salaries, wages & allowances, contribution to provident & other funds and staff welfare expenses.

Finance cost

Our finance cost was ₹ 24.52 million during six months period ended September 30, 2022, primarily attributable to interest on working capital facilities and term loan.

Depreciation and amortization expense

Our depreciation and amortization expense was ₹ 13.26 million during six months period ended September 30, 2022 of which ₹ 13.22 million attributable to tangible assets including property, plant and equipment and ₹ 0.04 million attributable to computer software.

Other expenses

Our other expense was ₹ 333.57 million during six months period ended September 30, 2022, primarily on account of power & fuel amounting to ₹ 149.18 million, repair & maintenance amounting to ₹ 15.72 million, carriage outward amounting to ₹ 47.44 million, travelling & conveyance amounting to ₹ 10.38 million, discount & commission amounting to ₹ 15.71 million, legal & professional charges amounting to ₹ 13.52 million and packing materials amounting to ₹ 18.83 million.

Profit before tax

Our profit before tax was ₹ 485.36 million during six months period ended September 30, 2022.

Tax expense

Our total tax expense amounted to ₹ 128.23 million during six months period ended September 30, 2022. Our current tax expense was ₹ 122.70 million, our deferred tax expense was ₹ 5.14 million and income tax adjustment for earlier year was ₹ 0.39 million.

Profit for the period

For the various reasons discussed above, we recorded profit for the period of ₹ 357.13 million during six months period ended September 30, 2022.

Fiscal 2022 compared to Fiscal 2021

Key developments

Our results of operations for the Fiscal 2022 were particularly impacted by the following factors:

1. Due to improvement in business environment and global market conditions upon reduction in COVID-19 induced restrictions and lockdowns, we were able to market our products better, leading to an increase in revenue from operations to ₹ 6,128.30 million in Fiscal 2022 from ₹ 4,352.98 million in Fiscal 2021 and profit for the period to ₹ 431.26 million in Fiscal 2022 from ₹ 287.99 million in Fiscal 2021.
2. We also made conscious efforts to diversify and expand our customer base across all user segments.

Income

Our total income increased by ₹ 1,826.42 million i.e. 41.47% to ₹ 6,230.47 million in Fiscal 2022 from ₹ 4,404.05 million in Fiscal 2021. The increase was primarily due to increase in sale of products (including finished goods and traded goods) and increase of other income.

Revenue from Operations

Our revenue from sale of finished goods increased by ₹ 1,742.68 million i.e. 40.15% to ₹ 6,082.58 million in Fiscal 2022 from ₹ 4,339.90 million in Fiscal 2021. This increase was primarily attributable to supply of our products to more customers and in higher volumes.

Our revenue from sale of traded goods increased significantly by ₹ 36.93 million i.e. 664.21% to ₹ 42.49 million in Fiscal 2022 from ₹ 5.56 million in Fiscal 2021. This increase was primarily attributable to increase in sale of traded goods such as zinc oxide and zinc metal.

Other Income

Our other income increased significantly by ₹ 51.10 million i.e. 100.06% to ₹ 102.17 million in Fiscal 2022 from ₹ 51.07 million in Fiscal 2021. This increase was primarily attributable to increase in net gain on derivative instruments on FVTPL to ₹ 15.38 million in Fiscal 2022 from loss of ₹ (17.69) million in Fiscal 2021, insurance claim received of ₹ 10.30 million in Fiscal 2022 as compared to ₹ Nil in Fiscal 2021. Also there was an increase in net gain in foreign exchange fluctuation on account of import / export transactions amounting to ₹ 42.44 million in Fiscal 2022 as compared to ₹ 37.88 million in Fiscal 2021. The aforementioned income was partially offset by decrease in profit on sale of investments measured at FVTPL by 16.09% to ₹ 10.74 million in Fiscal 2022 from ₹ 12.80 million in Fiscal 2021 and decrease in commission & incentive received by 100% to ₹ Nil in Fiscal 2022 from ₹ 3.48 million in Fiscal 2021.

Expenses

Our total expenses increased by ₹ 1,663.95 million i.e. 41.68% to ₹ 5,656.01 million for the Fiscal 2022 from ₹ 3,992.06 million for the Fiscal 2021, primarily due to the reasons discussed below:

Cost of materials consumed

Our cost of materials consumed increased by ₹ 1,608.36 million i.e. 46.56% to ₹ 5,062.84 million for the Fiscal 2022 from ₹ 3,454.48 million for the Fiscal 2021 primarily due to increase in our requirement for raw materials like Zinc Dross, zinc metal, remelted zinc ingots to meet the increasing demand for zinc oxide.

Purchase of stock-in-trade

Our purchase of stock-in-trade decreased marginally by ₹ 0.22 million i.e. 4.24% to ₹ 4.97 million for the Fiscal 2022 from ₹ 5.19 million for the Fiscal 2021 primarily due to purchase of finished products from our Material Subsidiary, and subsequent of the same to our customers.

Changes in inventory of finished goods, stock-in-trade and work-in-progress

Changes in inventories of finished goods amounted to ₹ (109.34) million for the Fiscal 2022 as compared to ₹ 30.50 million for the Fiscal 2021. This was primarily due to enhancement of our capacity utilization to 28,823.37 MTPA in Fiscal 2022 from 24,606.76 MTPA in Fiscal 2021.

Employee benefits expense

Employee benefit expenses increased by ₹ 30.12 million i.e. 29.25% to ₹ 133.11 million for the Fiscal 2022 from ₹ 102.99 million for the Fiscal 2021, primarily due to increase in wages and salaries (including director's remuneration) from ₹ 96.67 million in Fiscal 2021 to ₹ 124.13 million in Fiscal 2022 on account of annual increments and increase in our employee strength since Fiscal 2021 in the ordinary course of business.

Finance costs

Our finance costs increased by ₹ 11.81 million i.e. 23.29% to ₹ 62.51 million in Fiscal 2022 from ₹ 50.70 million in Fiscal 2021. This increase was primarily attributable to increase in overall borrowings, particularly, our working capital facilities from ₹ 650.97 million to ₹ 828.63 million in Fiscal 2022 when compared with Fiscal 2021 due to higher sales of our products and increase in our production capacity at our Naidupeta Facility located at Nellore District in the state of Andhra Pradesh.

Depreciation and amortization expense

Our depreciation expenses increased by ₹ 3.42 million i.e. 14.63% to ₹ 26.80 million in Fiscal 2022 from ₹ 23.38 million in Fiscal 2021. This increase was primarily attributable to additions in property, plant and equipment in Fiscal 2022.

Other expenses

Our other expenses increased by ₹ 150.28 million i.e. 46.26% to ₹ 475.11 million in Fiscal 2022 from ₹ 324.83 million in Fiscal 2021. This increase was primarily on account of increase in power & fuel expenses to ₹ 195.82 million in Fiscal 2022 from ₹ 129.63 million in Fiscal 2021 owing primarily to increase in fuel prices by 44.07% in Fiscal 2022. Further, repair & maintenance expenses increased to ₹ 32.32 million in Fiscal 2022 from ₹ 12.70 million in Fiscal 2021 owing to increase in various repairing activities at the factory during and post COVID-19 in order to improve operational efficiencies and reduce operating costs. Additionally, expenses towards travelling & conveyance increased to ₹ 10.06 million in Fiscal 2022 from ₹ 2.07 million in Fiscal 2021 due to easing of travel restrictions thereby resulting in increase in business travels during Fiscal 2022.

Profit before tax

Our profit before tax increased by ₹ 162.47 million i.e. 39.44% to ₹ 574.46 million in Fiscal 2022 from ₹ 411.99 million in Fiscal 2021 primarily on account of the reasons described above.

Tax expense

Our total tax expenses increased by ₹ 19.20 million i.e. 15.48% to ₹ 143.20 million for the Fiscal 2022 from ₹ 124.00 million for the Fiscal 2021. Our current tax expense increased to ₹ 145.05 million in Fiscal 2022 from ₹ 105.12 million in Fiscal 2021. Our deferred tax expense decreased to ₹ (1.79) million in Fiscal 2022 from ₹ 1.93 million in Fiscal 2021 due to reversal of deferred tax liability in Fiscal 2022. Our income tax for earlier years decreased to ₹ (0.05) million in Fiscal 2022 from ₹ 16.94 million in Fiscal 2021.

Profit for the period

Our Profit for the period, increased by ₹ 143.27 million i.e. 49.75% to ₹ 431.26 million in Fiscal 2022 from ₹ 287.99 million in Fiscal 2021, as a result of the factors described above.

Fiscal 2021 compared to Fiscal 2020

Key developments

Our results of operations for the Fiscal 2021 were impacted by the following factors:

1. Fiscal 2021 witnessed significant uncertainty due to COVID pandemic and the various restrictions that were imposed at disparate points in time during the financial year including, in particular, the severe lock-down, travel restrictions and social distancing norms. Despite the COVID related disruptions, we were able to continue our operations and, in fact, increase our total revenue from operations to ₹ 4,352.98 million in Fiscal 2021 from ₹ 3,993.91 million in Fiscal 2020. We were also able to increase our profit before tax to ₹ 411.99 million in Fiscal 2021 from ₹ 191.10 million in Fiscal 2020.
2. Further**,** we were also able to increase our production capacity (i) at our Naidupeta Facility to 30,264 MTPA in Fiscal 2021 from 26,232 MTPA in Fiscal 2020 and (ii) at our Jangalpur Facility to 14,400 MTPA in Fiscal 2021 from 10,800 MTPA in Fiscal 2020.

Income

Our total income increased by ₹ 331.36 million i.e. 8.14% to ₹ 4,404.05 million in Fiscal 2021 from ₹ 4,072.69 million in Fiscal 2020. This increase was primarily due to increase in the sale of our products from ₹ 3,990.66 million in Fiscal 2020 to ₹ 4,345.46 million in Fiscal 2021 which was partially offset by decrease in other income from ₹ 78.78 million in Fiscal 2020 to ₹ 51.07 million in Fiscal 2021.

Revenue from Operations

Our revenue from the sale of finished goods increased by ₹ 363.76 million i.e. 9.15% to ₹ 4,339.90 million in Fiscal 2021 from ₹ 3,976.14 million in Fiscal 2020. This increase was primarily attributable to supply of our products to more customers and in higher volumes.

Our revenue from sale of traded goods decreased by ₹ 8.95 million i.e. 61.68% to ₹ 5.56 million in Fiscal 2021 from ₹ 14.51 million in Fiscal 2020. This decrease was primarily attributable to reduction in trading due to market conditions primarily on account of COVID-19 pandemic.

Other Income

Our other income decreased by ₹ 27.71 million i.e. 35.17% to ₹ 51.07 million in Fiscal 2021 from ₹ 78.78 million in Fiscal 2020. This decrease was primarily attributable to net loss on derivative instruments on fair valuation leading to net loss of ₹ (17.69) million in Fiscal 2021 from a net profit of ₹ 42.67 million in Fiscal 2020 which was partially offset by increase in profit on sale of investment measured at fair value to ₹ 12.80 million in Fiscal 2021 from ₹ 0.21 million in Fiscal 2020.

Expenses

Our total expenses increased by ₹ 110.47 million i.e. 2.85% to ₹ 3,992.06 million for the Fiscal 2021 from ₹ 3,881.59 million for the Fiscal 2020, primarily due to the reasons discussed below:

Cost of materials consumed

Our cost of materials consumed increased marginally by ₹ 60.14 million i.e. 1.77% to ₹ 3,454.48 million for the Fiscal 2021 from ₹ 3,394.34 million for the Fiscal 2020.

Purchase of stock-in-trade

Our purchase of stock-in-trade decreased by ₹ 14.13 million i.e. 73.14% to ₹ 5.19 million for the Fiscal 2021 from ₹ 19.32 million for the Fiscal 2020 primarily due to restrictions imposed on logistics service provider as an adverse effect of COVID-19 and imposition of lockdown.

Changes in inventory of finished goods, stock-in-trade and work-in-progress

Changes in inventories of finished goods amounted to ₹ 30.50 million for the Fiscal 2021 as compared to ₹ (10.33) million for the Fiscal 2020. This was primarily due to increase of our sales in Fiscal 2021 leading to better inventory management.

Employee benefits expense

Our employee benefits expenses increased by ₹ 6.09 million i.e. 6.28% to ₹ 102.99 million in Fiscal 2021 from ₹ 96.90 million in Fiscal 2020. This increase was primarily attributable to increase in wages and salaries on account of annual increments and increase in employee strength of the Company since Fiscal 2020 in the ordinary course of business.

Finance costs

Our finance costs decreased by ₹ 10.96 million i.e. 17.77% to ₹ 50.70 million in Fiscal 2021 from ₹ 61.66 million in Fiscal 2020. This decrease was primarily attributable to decrease in unsecured short term borrowings from ₹ 41.00 million in Fiscal 2020 to ₹ 14.50 million in Fiscal 2021. Additionally, as per the RBI moratorium policy due to COVID-19 the interest on term loan was added with the principal amount during the period from April 2020 till August 2020 leading to decrease in finance cost in Fiscal 2021. Also, there was reduction in the interest rates in Fiscal 2021 when compared with Fiscal 2020 leading to lower interest expenses.

Depreciation and amortization expense

Our depreciation and amortization expense increased by ₹ 4.74 million i.e. 25.43% to ₹ 23.38 million in Fiscal 2021 from ₹ 18.64 million in Fiscal 2020. This increase was primarily attributable to additions in property, plant and equipment in Fiscal 2021.

Other expenses

Our other expenses increased by ₹ 23.78 million i.e. 7.90% to ₹ 324.83 million in Fiscal 2021 from ₹ 301.05 million in Fiscal 2020. This increase was primarily attributable to increase in repair & maintenance expenses to ₹ 12.71 million in Fiscal 2021 from ₹ 6.61 million in Fiscal 2020 due to increase in repair and maintenance at the factory and increase in legal & professional expenses to ₹ 13.60 million in Fiscal 2021 from ₹ 5.66 million in Fiscal 2020. Further, rent expenses increased to ₹ 5.49 million in Fiscal 2021 from ₹ 1.64 million in Fiscal 2020 and insurances charges increased to ₹ 8.19 million in Fiscal 2021 from ₹ 3.70 million in Fiscal 2020.

Profit before tax

Our profit before tax increased by ₹ 220.89 million i.e. 115.59% to ₹ 411.99 million in Fiscal 2021 from ₹ 191.10 million in Fiscal 2020, primarily on account of the reasons described above.

Tax expense

Our total tax expenses increased by ₹ 72.42 million i.e. 140.42% to ₹ 124.00 million for the Fiscal 2021 from ₹ 51.58 million for the Fiscal 2020. Our current tax expense to ₹ 105.12 million in Fiscal 2021 from ₹ 49.99 million in Fiscal 2020. Our deferred tax expense increased to ₹ 1.93 million in Fiscal 2021 from ₹ 1.59 million in Fiscal 2020 due to increase of deferred tax liability in Fiscal 2021.

Profit for the period

Our profit for the period, increased by ₹ 148.46 million i.e. 106.40% to ₹ 287.99 million in Fiscal 2021 from ₹ 139.53 million in Fiscal 2020, as a result of the factors described above.

Liquidity and Capital Resources

Historically, our primary liquidity and capital requirements have been to finance our capital expenditure and working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As of September 30, 2022, we had ₹ 20.50 million in cash and cash equivalents, ₹ 0.24 million in other bank balances other than cash and cash equivalents and ₹ 1,177.52 million in trade receivables. We believe that after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for the next 12 months.

For the six months period ended September 30, 2022, and Fiscals 2022, 2021 and 2020, our total liabilities based on our Restated Consolidated Financial Information amounted to ₹ 740.08 million, ₹ 1,075.03 million ₹ 909.32 million, and ₹ 593.11 million, respectively.

There has been no incident of default of loans by our Company in six months period ended September 30, 2022 and Fiscals 2022, 2021 and 2020.

Our current credit ratings have been assigned by CRISIL who have assigned CRISIL A-/Stable to our fund-based and non-fund based working capital limits, CRISIL A-/Stable to our cash credit facility and CRISIL A2+ to our letter of credit.

In order to mitigate the impact of the COVID-19 pandemic on our operations, we have proactively taken various steps such as reducing some of our administrative and other fixed expenses and arranging for additional liquidity through working capital loans to manage our expenses and liquidity.

Cash Flows

The following table sets forth selected information from our statement of cash flows for the periods indicated:

(in ₹ million)

Particulars	**Six months period ended September 30, 2022**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Net cash flow from / (used in) operating activities (A)	420.09	67.52	(73.46)	408.67
Net cash flow from / (used in) investing activities (B)	(33.02)	(54.15)	(56.00)	(113.31)
Net cash flow from / (used in) financing activities (C)	(425.10)	(1.90)	169.55	(295.44)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(38.03)**	**11.47**	**40.09**	**(0.07)**
Cash and cash equivalents at the beginning of the year	58.53	47.06	6.98	7.07
Cash and cash equivalents at the end of the year	20.50	58.53	47.06	6.98

Operating Activities

Six months period ended September 30, 2022

Net cash flow from operating activities during six months period ended September 30, 2022, was ₹ 420.09 million. While our net profit before tax was ₹ 485.36 million, we had an operating profit before working capital changes of ₹ 530.39 million, primarily due to adjustments for depreciation and amortization expenses of ₹ 13.26 million and finance costs of ₹ 24.52 million, net gain on fair value of investments of ₹ 17.31 million which were partially offset by profit on sale of investment of ₹ (7.44) million. Our adjustments for working capital changes for Six months period ended September 30, 2022, primarily consists of decrease in inventories of ₹ 168.76 million, trade and other payables of ₹ 17.75 million and increase in trade receivables of ₹ (232.16) million, which were partially offset by decrease in loans and other financial assets and other assets of ₹ 12.14 million. Our cash generated from operations was ₹ 496.89 million, adjusted by tax paid (net of refund) of ₹ (76.80) million.

Fiscal 2022

Net cash flow from operating activities during Fiscal 2022 was ₹ 67.52 million. While our net profit before tax was ₹ 574.46 million, we had an operating profit before working capital changes of ₹ 638.20 million, primarily due to adjustments for depreciation and amortization expenses of ₹ 26.80 million and finance costs of ₹ 62.51 million, which were partially offset by net gain on fair value of investments of ₹ (15.23) million and profit on sale of investment of ₹ (10.74) million. Our adjustments for working capital changes for Fiscal 2022 primarily consists of increase in inventories of ₹ (396.25) million, trade and other payables of ₹ (61.32) million and trade receivables of ₹ (49.76) million, which were partially offset by decrease in loans and other financial assets and other assets of ₹ 94.13 million. Our cash generated from operations was ₹ 224.99 million, adjusted by tax paid (net of refund) of ₹ (157.47) million.

Fiscal 2021

Net cash used in operating activities during Fiscal 2021 was ₹ (73.46) million. While our net profit before tax was ₹ 411.99 million, we had an operating profit before working capital changes of ₹ 460.24 million, primarily due to adjustments for depreciation and amortization expenses of ₹ 23.38 million and finance costs of ₹ 50.70 million, which were partially offset by net gain on fair value of investments of ₹ (12.80) million and profit on sale of investment of ₹ (11.35) million. Our adjustments for working capital changes for Fiscal 2021 primarily consists of increase in inventories of ₹ (31.03) million, trade receivables of ₹ (398.40) million and increase in loans and other financial assets and other assets of ₹ (83.61) million, which were partially offset by decrease in trade and other payables of ₹ 70.87 million. Our cash generated from operations was ₹ 18.08 million, adjusted by tax paid (net of refund) of ₹ (91.54) million.

Fiscal 2020

Net cash flow from operating activities during Fiscal 2020 was ₹ 408.67 million. While our net profit before tax was ₹ 191.10 million, we had an operating profit before working capital changes of ₹ 267.88 million, primarily due to adjustments for depreciation and amortization expenses of ₹ 18.64 million and finance costs of ₹ 61.66 million, which were partially offset by interest income of ₹ (3.25) million and prior period items of ₹ (4.17) million. Our adjustments for working capital changes for Fiscal 2020 primarily consists of decrease in inventories of ₹ 268.71 million which were partially offset by increase in trade and other payables of ₹ (10.44) million, trade receivables of ₹ (11.29) million and increase in loans and other financial assets and other assets of ₹ (48.53) million. Our cash generated from operations was ₹ 466.33 million, adjusted by tax paid (net of refund) of ₹ (57.66) million.

Investing Activities

Six months period ended September 30, 2022

Net cash used in investing activities was ₹ (33.02) million in Six months period ended September 30, 2022, primarily on account of ₹ (52.23) million used for purchase of property, plant and equipment and capital work in progress and ₹ (27.50) million used for the purchase of investments, which were partially offset by proceeds from sale of investments of ₹ 45.48 million.

Fiscal 2022

Net cash used in investing activities was ₹ (54.15) million in Fiscal 2022, primarily on account of ₹ (89.72) million used for purchase of property, plant and equipment and capital work in progress and ₹ (75.78) million used for the purchase of investments, which were partially offset by proceeds from sale of investments of ₹ 103.16 million.

Fiscal 2021

Net cash used in investing activities was ₹ (56.00) million in Fiscal 2021, primarily on account of ₹ (53.80) million used for purchase of property, plant and equipment, including intangible assets, capital work in progress and ₹ (154.51) million used for purchase of marketable securities and units of mutual fund, which were partially offset by proceeds from sale of investments of ₹ 149.92 million.

Fiscal 2020

Net cash used in investing activities was ₹ (113.31) million in Fiscal 2020, primarily on account of ₹ (54.05) million used for purchase of property, plant and equipment, including intangible assets, CWIP and ₹ (84.30) million used for payment of purchase of marketable securities and units of mutual fund, which were partially offset by proceeds of ₹ 23.19 million received from the sale of investments.

Financing Activities

Six months period ended September 30, 2022

Net cash used in financing activities in Six months period ended September 30, 2022 amounted to ₹ (425.10) million, which primarily consists of repayment of long-term borrowings of amount ₹ (14.65) million and interest paid of ₹ (24.52) million, which were partially offset by proceeds from long-term borrowings amounting to ₹ 37.42 million and net proceeds/(repayment) from short-term borrowings amounting to ₹ (423.35) million.

Fiscal 2022

Net cash used in financing activities in Fiscal 2022 amounted to ₹ (1.90) million, which primarily consists of payments for buy back of shares amounting to ₹ (50.87) million, repayment of long-term borrowings of amount ₹ (25.50) million and interest paid of ₹ (73.94) million, which were partially offset by proceeds from long-term borrowings amounting to ₹ 46.30 million and net proceeds from short-term borrowings amounting to ₹ 102.11 million.

Fiscal 2021

Net cash generated from financing activities in Fiscal 2021 amounted to ₹ 169.55 million, which primarily consists of proceeds from long-term borrowings amounting to ₹ 16.30 million and net proceeds from short-term borrowings amounting to ₹ 284.46 million, which were partially offset by interest paid in the amount of ₹ (50.70) million and repayment of long-term borrowings in the amount of ₹ (80.51) million.

Fiscal 2020

Net cash used in financing activities in Fiscal 2020 amounted to ₹ (295.44) million, which primarily consists of repayment of long-term borrowings in the amount of ₹ (10.52) million, repayment of short-term borrowings in the amount of ₹ 221.77 million and interest paid in the amount of ₹ (63.15) million.

Indebtedness

As of September 30, 2022, we had long terms borrowings (excluding deferred payment liabilities) of ₹ 78.73 million and working capital borrowings of ₹ 430.89 million, with a debt-to-equity ratio* of 0.29 as per the Restated Consolidated Financial Information. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. For further details on our agreements governing our outstanding indebtedness, please see section titled "*Financial Indebtedness*" on page 322.

**Debt comprises of long term borrowings and short term borrowings.*

Contractual Obligations and Commitments

The table below sets forth our contractual obligations as of September 30, 2022, as per the Restated Consolidated Financial Information.

(in ₹ million)

Particulars	Total	On demand	Less than 1 year	Beyond one year
Borrowings	538.84	403.27	56.84	78.73
Trade payables	76.70	-	76.70	
Other financial liabilities	41.01	-	41.01	
Total	656.55	403.27	174.55	78.73

Capital Expenditure

For the six months period ended September 30, 2022 and Fiscals 2022, Fiscal 2021 and Fiscal 2020, we incurred capital expenditure of ₹ 52.07 million, ₹ 100.72 million, ₹ 42.84 million, and ₹ 42.18 million, respectively. We made significant investments in capital expenditures for the improvement and expansion at our Naidupeta Facility. Our capital expenditures during these periods were primarily financed by internally generated resources and borrowings.

We have expanded our existing manufacturing facility located at Naidupeta, Nellore District in the state of Andhra Pradesh which was started in the year 2016 and has an installed capacity of 59,904 MTPA for zinc oxide and approximately 10,080 MTPA for zinc sulphate, at present. The installed capacity of our Naidupeta Facility specified above, has recently been augmented by 13,440 MTPA for zinc oxide and 10,080 MTPA for zinc sulphate. We expect this additional facility to commence commercial operations in Q3 of this Fiscal.

Presently, our R&D processes focus on manufacturing zinc oxide with varied specifications suited for our end-use industries, on the floor of our manufacturing facilities itself, without there being a need for a separate R&D facility for such advances. However, in accordance with our intention to expand into many other zinc based chemicals such as nano zinc oxide, other rubber chemicals like battery grade zinc powders and nutrients such as Zinc EDTA 13% and Zinc 39.5% solution which find application in agriculture, micro-nutrients and zinc based feeds & additives, we intend to establish a separate R&D facility to undertake complex innovations in our products for making the same available to pharmaceuticals, agro-chemicals and battery end-use industries, among others. The basic production process for many of these can be achieved within our Naidupeta Facility, which we have recently expanded, by adding new plant and machinery. Also, the basic raw materials for production of these chemicals are zinc oxide and zinc sulphate, both of which are and / or will be produced by us.

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as per the Restated Consolidated Financial Information:

(in ₹ million)

Particulars	**As at September 30, 2022**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Disputed Amount of Sales Tax / VAT	7.63	7.63	8.58	9.21
Income Tax	-	-	-	23.76
Entry Tax	36.91	36.91	36.91	36.04
Total	44.54	44.54	45.49	69.01

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or other relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties including with our Promoters, Directors, Subsidiaries, Group Companies and Key Managerial Personnel on an arm's length basis. All the transactions with related parties are in compliance with the Companies Act, 2013, SEBI Listing Regulations, relevant accounting standards and other statutory compliances. For details of our related party transactions, please see section titled "*Restated Consolidated Financial Information – Note no. 38 – Related Party Transactions*" on page 268.

Quantitative and Qualitative Analysis about market risk

We are exposed to various types of market risks during the course of our business. Market risk is the risk of loss arising out of adverse changes in market prices, including interest rate risk, commodity price risk, price risk, credit risk and foreign currency exchange risk. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt. We are exposed to various types of market risks, in the normal course of business.

Credit risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from our trade and other receivables, cash and cash equivalents and other bank balances. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount. Our exposure to credit risk was ₹ 1,365.75 million, ₹ 1,084.99 million, ₹ 1,012.16 million and ₹ 604.92 million for the six months period ended September 30, 2022, Fiscals 2022, 2021 and 2020, respectively, being the total carrying value of trade receivables, loans, investments in mutual funds and other financial assets.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulties in meeting our obligations associated with financial liabilities that are settled by delivering cash or other financial assets. We follow a conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. We have an overdraft facility with banks to support any temporary funding requirements. We believe that our current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Further, we mitigate our liquidity risks by ensuring timely collections of our receivables and close monitoring of our credit cycle.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

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. Our exposure to the risk of changes in market interest rates relates primarily to our long term and short-term borrowing with floating interest rates. We constantly monitor the credit market and rebalance our financing strategies to achieve an optimal maturity profile and financing cost. Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis. As at September 30, 2022, 100 basis points (1%) increase / (decrease) in the interest rate of Indian currency borrowings would result in approximately ₹ 5.39 million in the finance cost of our Indian currency borrowings (as at March 31, 2022, ₹ 9.40 million, March 31, 2021, ₹ 7.44 million and as at March 31, 2020, ₹ 5.25 million).

Foreign Currency Exchange risk

We are exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not our functional currency exposure.

(Amounts in million)

Exposure to currency Risk	**Currency**	**September 30, 2022**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Trade receivables (unhedged)	USD	0.97	0.82	1.45	0.78
Trade receivables (unhedged)	EURO	0.26	-	-	-
Trade payables (unhedged)	USD	0.69	0.03	0.30	0.04
Other financial assets	USD	2.05	-	0.31	-
Other financial liabilities	USD	0.00	0.08	-	-
SBLC	USD	-	2.19	0.19	-

As at September 30, 2022, 5% increase / (decrease) in the exchange rate of Indian Rupee with foreign currencies would result in approximately ₹ 0.13 million (decrease) / increase in the fair value of the Group's foreign currency dollar denominated financial instruments (as at March 31, 2022, ₹ (0.08) million, as at March 31, 2021, ₹ 0.06 million and as at March 31, 2020, ₹ 0.04 million).

Commodity Price risk

Our Company is exposed to fluctuations in zinc oxide price arising on purchase, manufacturing and sale of zinc oxide and inventory of zinc oxide lying with us. To manage the variability in fair value, our Company enters into derivative financial instruments to manage the risk associated with zinc oxide price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts. Our Company designates certain derivatives as hedging instruments in respect of commodity price risk in cash flow hedges and fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Price risk

We invest our surplus funds primarily in equity shares and mutual funds measured at fair value. Aggregate value of such investments as at September 30, 2022 is ₹ 57.04 million (as at March 31, 2022 is ₹ 84.77 million, as at March 31, 2021 is ₹ 86.28 million and as at March 31, 2020 is ₹ 57.54 million).

Increase / (decrease) of 5% would result in an impact increase / (decrease) by ₹ 2.85 million, ₹ 4.24 million, ₹ 4.31 million and ₹ 2.88 million on total profit for the six months period ended September 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, respectively.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our income from continuing operations identified above in "*Principal factors affecting our financial condition and results of operations*" and the uncertainties described in "*Risk Factors*" on page 293 and 32, respectively.

Unusual or Infrequent events of transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known trends or uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal factors affecting our financial condition and results of operations*" and the uncertainties described in the section titled "*Risk Factors*" on page 32. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on our revenues or income from continuing operations.

Future relationship between cost and income

Other than as described in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues. For further details, please see "*Risk Factor - The extent to which the outbreak of COVID – 19 could have an impact on our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.*" on page 38, for risks of the COVID-19 outbreak on our operations and financial condition.

Segment Reporting

We operate in only one business segment viz. manufacture and sale of zinc oxide and related products. For further details, please see "*Restated Consolidated Financial Information – Note no. 40 – Segment Information*" on page 272.

New products or business segments

Except as disclosed in this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

Seasonality of business

We believe that our business is not subject to any seasonal variations.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals are as described in the sections "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Six months period ended September 30, 2022*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2022 compared to Fiscal 2021*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*" above on pages 309, 311 and 313, respectively.

Significant dependence on single or few Customers

Revenues from any particular customer may vary between financial reporting periods depending on the customer demand of the end user industries.

The following table gives details in respect of revenues generated from our top ten customers:

Particulars	Six months period ended September 30, 2022		Fiscal					
			2022		2021		2020	
	(in ₹ million)	(% of revenue from operations)	(in ₹ million)	(% of revenue from operations)	(in ₹ million)	(% of revenue from operations)	(in ₹ million)	(% of revenue from operations)
Revenue from top ten customers	3,177.58	74.76	4,634.99	75.63	3,337.20	76.67	3,136.39	78.53

For further details, please see section "*Risk Factors – We derive a significant part of our revenue from select customers. If one or more of such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected*" on page 32.

Competitive Conditions

We operate in a competitive environment. For further details on our industry and competition, please see sections titled "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 172, 127 and 32, respectively.

Recent Accounting Pronouncements

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements which would have a material effect on our financial condition or results of operations.

Summary of reservations or qualifications or adverse remarks or matters of emphasis by the auditors

There are no qualification or adverse remarks by the auditors in the Restated Consolidated Financial Information. For further details in relation to the emphasis of matter included in our Restated Consolidated Financial Information, please see section "*Risk Factors – Our Statutory Auditor have included certain emphasis of matters/ other matters paragraphs in the audit reports*" on page 42 and "*Restated Consolidated Financial Information*" on page 235.

Significant Developments after September 30, 2022 that may affect our results of operations

To our knowledge, no circumstances have arisen after September 30, 2022 which materially and adversely affects or is likely to affect, our profitability, or the value of our assets or our ability to pay our liabilities.

FINANCIAL INDEBTEDNESS

We have availed credit facilities in the ordinary course of business for purposes such as, *inter alia*, meeting the capital expenditure / working capital requirements, and for general corporate purposes.

We have obtained the necessary consents for required under the relevant financing documents for undertaking activities in relation to the Offer, such as, *inter alia*, effecting changes in the capital structure, change in the management / board composition, change in the shareholding pattern, including shareholding of promoters and promoter group, change in our constitutional documents including amending the MoA and AoA in connection with or post the Offer and using Offer proceeds to repay / pre-pay, in part or full, certain existing borrowings of our Company including from other lenders.

For further details regarding the borrowing powers of our Board, please see section titled "*Our Management – Borrowing Powers of our Board*" on page 211.

As on December 31, 2022, our aggregated outstanding borrowings amounted to ₹ 671.46 million, and a brief summary of such borrowings is set forth below:

(in ₹ million)

Category of Borrowing	Sanctioned amount	Amount Outstanding as of December 31, 2022
Secured Loans		
Fund based facilities		
(i) Term loans	123.10	94.94
(ii) Working capital facilities	1,490.00	566.74
(iii) Vehicle Loans	11.05	5.57
(iv) Interest accrued but not due	-	-
Non-fund based facilities		
(v) Bank Guarantee	12.50	4.21
Total Secured Loans (A)	1,636.65	671.46
Unsecured Loans		
Working capital facilities	Nil	Nil
Total Unsecured Loans (B)	Nil	Nil
Grand Total (A + B)	1,636.65	671.46

^*As certified by S. Jaykishan, Chartered Accountants, by way of their certificate dated January 4, 2023*

For disclosure of borrowings as at September 30, 2022, as per requirements of Schedule III of Companies Act, 2013 and related accounting standards, please see section titled "*Restated Consolidated Financial Information*" on page 235.

Principal terms of the borrowings availed by our Company and our Material Subsidiary:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and our Material Subsidiary.

1. ***Interest/ Commission:*** The interest rate for our overdraft / cash credit / working capital facilities is typically the base rate of a specified lender plus a specified spread per annum. Our interest rate typically ranges from 6.15% to 8.75% p.a. in case of our Company and our Material Subsidiary.

2. ***Tenor:*** The tenor of our term loans typically ranges from 36 months to 90 months

3. ***Security:*** The facilities availed by our Company, are typically secured by creation of a charge on the immovable assets, moveable assets, stocks, book-debts, machineries etc., and personal guarantees of Suresh Jhunjhunwala and Anirudh Jhunjhunwala. Bank facilities availed by our Material Subsidiary are secured by creation of a charge on the immovable assets, moveable assets, stocks, book-debts, corporate guarantees of our Company, and personal guarantees of Anirudh Jhunjhunwala and Anuj Jhunjhunwala.

4. ***Penal Interest:*** The penal interest applicable is typically 2% to 4% p.a. over the applicable interest rate.

5. ***Repayment****:* Our working capital facilities, are typically repayable on demand.

6. ***Restrictive covenants*****:**

   As per the terms of our facility agreements, certain corporate actions for which we require prior written consent of the lenders, include:

   (a) effecting changes in the capital structure;
   (b) effecting changes in the management or the board composition;
   (c) effecting changes in the shareholding pattern, including shareholding of promoters and promoter group;
   (d) amending the constitutional documents including amending memorandum of association and articles of association;

7. ***Events of default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, amongst others:

   (a) Payment default;
   (b) Breach of terms;
   (c) Inability to pay debts;
   (d) Liquidation and administration
   (e) Bankruptcy, insolvency, dissolution, winding up;
   (f) Depreciation in value of assets or compulsory acquisition;
   (g) Jeopardising the security created;
   (h) Change in control of our Company;
   (i) Creates interest on the security;
   (j) Undertakings and assets are brought under the authority of the Government;
   (k) Misleading information and representations;
   (l) Default under any other financing arrangements of our Company; and
   (m) any other occurrence or existence of one or more events, conditions or circumstances (including any change in law), which in opinion of Bank, could have a material adverse effect.

   The details above are indicative and there are additional terms that may amount to an event of default under the financing arrangements entered into by our Company and our Material Subsidiary. We are required to ensure that the aforementioned events of default and other events of default, as specified under the agreements relating to the financing arrangements entered into by our Company and our Material Subsidiary, are not triggered.

8. ***Consequences of occurrence of events of default:*** Borrowing arrangements entered into by our Company contain standard consequences of events of default, including, amongst others:

   (a) Termination of facilities;
   (b) Suspension of access to facilities;
   (c) Enforcement of security;
   (d) Permission of borrower for any material change in the Company;
   (e) Take legal recourse to exercise its rights;
   (f) Appointment of consultants; and
   (g) Review of management set-up of our Company;

For further details of financial and other covenants required to be complied with in relation to our borrowings, please see section titled "*Risk Factors*" on page 32.

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding: (i) criminal litigations involving our Company, its Directors, its Subsidiaries or its Promoters (collectively the "**Relevant Parties**"); (ii) actions by any statutory or regulatory authorities involving the Relevant Parties; (iii) claims related to any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved) involving the Relevant Parties; (iv) other pending litigations involving the Relevant Parties (other than those litigations covered in points (i) to (iii) above) which have been determined to be material by our Board pursuant to the Materiality Policy (as disclosed hereinbelow); and (v) litigation involving our Group Companies which has a material impact on our Company. Further, there are no disciplinary action including penalties imposed by the SEBI or Stock Exchanges against our Promoters in the last 5 Fiscals including outstanding action.*

For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated November 17, 2022.

Any outstanding litigation / arbitration proceedings (other than those covered in points (i) to (iii) above) involving our Company, its Directors, its Subsidiaries and Promoters shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if:

a. the aggregate monetary amount of claim made by or against the entity or person in any such pending proceeding exceeds 5% of the profit after tax of our Company (on a consolidated basis), as per the latest fiscal year covered in the Restated Consolidated Financial Information; or

b. the outcome of such litigation, irrespective of any amount involved in such litigation or wherein a monetary liability is not quantifiable, could have a material adverse effect on the financial position, business, operations, performance, prospects or reputation of our Company or its Subsidiaries, as applicable; or

c. the decision in such litigation is likely to affect the decision in similar litigations, and the aggregate monetary claim amount in all such litigation / arbitration proceedings is equal to or in excess of threshold set forth above even though the amount involved in an individual litigation may not exceed the threshold set forth in (a) above.

For the purposes of the above, pre-litigation notices received by the Relevant Parties or Group Companies from third parties (excluding those notices issued by statutory/regulatory/ governmental/ tax authorities) have not been, unless otherwise decided by the Board of Directors, considered as an outstanding litigation for the purposes of point (iv) above, until such time such party is impleaded as a defendant or respondent in litigations before any legal/arbitral forum.

*Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 10% of the trade payables of our Company as of the end of the most recent fiscal covered in the Restated Consolidated Financial Information. The trade payables of our Company as on September 30, 2022 was ₹ 76.70 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 7.67 million (being 10% of the total trade payables) as on September 30, 2022. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure is based on information available with our Company regarding status of the creditor under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that particular litigation only.

Litigation involving our Company

Litigation initiated by our Company

a. Outstanding criminal litigations

Nil

b. Outstanding material civil litigations

Nil

Litigation initiated against our Company

a. Outstanding criminal litigations

Nil

b. Actions by statutory or regulatory authorities

Nil

c. Outstanding material civil litigations

Nil

Litigation involving our Subsidiaries

Litigation initiated by our Subsidiaries

a. Outstanding criminal litigations

Nil

b. Outstanding material civil litigations

Nil

Litigation initiated against our Subsidiaries

a. Outstanding criminal litigations

Nil

b. Actions by statutory or regulatory authorities

Nil

c. Outstanding material civil litigations

Nil

Litigation involving our Promoters

Litigation initiated by our Promoters

a. Outstanding criminal litigations

Nil

b. Outstanding material civil litigations

Nil

Litigation initiated against our Promoters

a. *Outstanding criminal litigations*

Nil

b. *Actions by statutory or regulatory authorities*

Nil

c. *Outstanding material civil litigations*

Nil

Litigation involving our Directors (other than Promoters)

Litigation initiated by our Directors (other than Promoters)

a. *Outstanding criminal litigations*

Nil

b. *Outstanding material civil litigations*

Nil

Litigation initiated against our Directors (other than Promoters)

a. *Outstanding criminal litigations*

Nil

b. *Actions by statutory or regulatory authorities*

Nil

c. *Outstanding material civil litigations*

Nil

Outstanding litigation involving our Group Companies which has a material impact on our Company

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

Tax Proceedings

Except as disclosed below, there are no outstanding tax litigations involving our Company, Subsidiaries, Directors or Promoters.

(in ₹ million)

Nature of cases	Number of cases	Amount involved*
Company		
Direct Tax	1	0.41
Indirect Tax	9	43.67
Total	10	44.08
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	2	0.87
Total	2	0.87

Directors (Other than our Promoters)		
Direct Tax	2	0.31
Indirect Tax	Nil	Nil
Total	Nil	Nil
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

** To the extent quantifiable*

Outstanding dues to Creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 7.67 million, which is 10% of the total consolidated trade payables of our Company as of the end of the most recent fiscal covered in the Restated Consolidated Financial Information, were considered 'material' creditors.

Based on the above, there is only 1(one) material creditor of our Company as on September 30, 2022, to whom an aggregate amount of ₹ 39.73 million was outstanding. Based on this criterion, details of 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 at September 30, 2022, by our Company, are set out below:

(in ₹ million)

Type of creditors	Number of creditors	Amount involved
Micro, small and medium enterprises	8	5.54
Material creditor	1	39.73
Other creditors	116	31.43
Total	**125**	**76.70**

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at https://jgchem.com/governance/.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website at www.jgchem.com would be doing so at their own risk.

Material Developments

Other than as stated in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 291, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, consents, registrations, and permits obtained by our Company and its Material Subsidiary, which are necessary for undertaking our business. In view of such approvals, our Company can undertake the Offer and its current business activities. Additionally, unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. Certain material approvals, licenses, consents, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired material approvals, licenses, consents, registrations, and permits are submitted in accordance with applicable requirements and procedures.

For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors – We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations" on page 45. For further details in connection with the regulatory and legal framework within which we operate, please see section titled "Key Regulations and Policies in India" on page 190.

I. Approvals relating to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, please see section titled "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 335.

II. Incorporation details of our Company and its Material Subsidiary

(i) Certificate of incorporation dated June 28, 2001, issued by the RoC to our Company in the name of 'J.G.Chemicals Private Limited'.

(ii) Fresh certificate of incorporation dated May 24, 2022, issued by the RoC on account of conversion from a private to a public limited company.

(iii) For incorporation details of our Material Subsidiary, please see section titled "*Our Subsidiaries*" on page 201

III. Material approvals in relation to the business and operations of our Company and its Material Subsidiary

We require various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements as disclosed below. We have received the following material approvals pertaining to our business:

A. Tax related and other approvals

Set forth below are the details of material tax related approvals obtained by our Company and its Material Subsidiary:

S. No.	Particulars	Company	BDJ Oxides
1.	Permanent Account Number issued by the Income Tax Department, Government of India	AABCJ0625L	AAECB3392D
2.	Tax Deduction Account Number issued by the Income Tax Department, Government of India	CALJ01803E	CALB12617D
3.	Goods and services tax identification number for premises situated at 3rd, 34A, Jain centre, Metcalfe Street, Kolkata, West Bengal, 700 013	19AABCJ0625L1ZJ	19AAECB3392D1ZR

4.	Goods and services tax identification number for premises situated at Bldg. No. C-4, Dive Anjur Village, Indian Corp Compound, Acron logistics and industrial, Anjur, Bhiwandi, Thane 421 302	27AABCJ0625L1ZM	-
5.	Goods and services tax identification number for premises situated at 1st floor, Flat 1C, 34A, Metcalfe Street, Kolkata, West Bengal, 700 013.	-	19AAECB3392D2ZQ
6.	Goods and services tax identification number for premises situated at Plot No-10, Attivaram Industrial Park, Nellore, Mondal Ozili, Sri Potti Sriramulu Nellore, Andhra Pradesh, 524 421.	-	37AAECB3392D1ZT
7.	Importer and exporter code number issued by Director General of Foreign Trade, Government of India.	0289010918	0216900794
8.	Legal Entity Identifier issued by LEI Register India.	984500BA5C0EB1C43F48	9845008CF06A1B0E5835

B. Labour related and other approvals

1. Certificates of registration issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to our Company and its Material Subsidiary.

2. Certificates of registration issued by the Employees State Insurance Corporation, India under the Employees' State Insurance Act, 1948 to our Company and its Material Subsidiary

3. Certificate of registration issued under the West Bengal State tax on Profession, Trades, Calling and Employments Act, 1979, Maharashtra State tax on Profession, Trades, Calling and Employment Act, 1975 and Andhra Pradesh Tax on Profession Trade, Calling and Employment Act,1987 to our Company and its Material Subsidiary.

4. Certificate of enlisted issued under Kolkata Municipal Corporation Act, 1980 to our Company for its registered office.

5. Certificate of registration issued by Office of the Deputy Labour Commissioner, Howrah under the Contract Labour (Regulation & Abolition) Act,1970 to our Company.

C. General approvals

1. Our Company and its Material Subsidiary have obtained UDYAM Registration issued by the Micro, Small and Medium Enterprises, Government of India.

2. The Company and its Material Subsidiary have obtained registrations under the Legal Metrology Act, 2009

D. Business related approvals obtained by our Company and its Material Subsidiary

Our Company and its Material Subsidiary are required to obtain various registrations and approvals in relation to the business. The registrations and approvals obtained by our Company and its Material Subsidiary in respect of our business operations include the following:

*Manufacturing facility situated at 189, Girish Ghosh Road, PO- Belurmath, PS- Bally, Howrah - 711 202, West Bengal ("**Belur Facility**") managed by our Company.*

S. No.	Particulars	Issuing Authority	License No.	Date of Issue	Expiry Date
1.	Factory License in respect of factory situated at 189,	Deputy Chief Inspector of	015020	December 28, 2021	December 31, 2024

	Girish Ghosh Road, PO-Belurmath, PS- Bally, Howrah-711 202, West Bengal issued under the Factories Act, 1948	Factories, West Bengal			
2.	License to use the Belur Facility as a warehouse/ workshop for storing or processing or keeping Coal, Petroleum and Petroleum derivatives and Plastic, Plastic Powder, granuels and Plastic Products under West Bengal Fire Services Act, 1950	Collector, Fire License Station	IND/WB/FSL/ 20192020/ 249120	January 24, 2020	January 30, 2023
3.	Consent to operate under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 for Belur Facility read with NOC no 172413 for change of name of our Company from private to public.	Environmental Engineer, West Bengal Pollution Control Board	CO127910	December 3, 2019	December 31, 2023
4.	Authorisation under the Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016 for Belur Facility	Chief Engineer, Waste Management Cell, West Bengal Pollution Control Board	Memo No. 71/2S(HW)-735/2004 (Pt-1)	September 10, 2020	July 31, 2025
5.	Certificate of Enlistment under the West Bengal Municipal Act, 1993 for Belur Facility	Bally Municipality, Howrah	0917P200222 37135	June 27, 2022	June 27, 2025

*Manufacturing facility situated at NH-6, Jalan Complex, Biprannapara, PS- Domjur, Howrah-711 411, West Bengal ("**Jangalpur Facility**") managed by our Company.*

S. No.	Particulars	Issuing Authority	License No.	Date of Issue	Expiry Date
1.	Factory License in respect of factory situated at NH-6, Jalan Complex, Biprannapara, PS-Domjur, Howrah-711 411, West Bengal, West Bengal issued under the Factories Act, 1948	Deputy Chief of Factories, West Bengal	19859	December 03, 2021	December 31, 2024
2.	Trade License under the West Bengal gram Panchayat Act, 1973	Government of West Bengal	4587	August 28, 2022	Upto 2024-2025
3.	Consent to operate under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 for Jangalpur Facility.	Environmental Engineer, West Bengal Pollution Control Board	CO117690	October 12, 2018	October 31, 2023

S. No.	Particulars	Issuing Authority	License No.	Date of Issue	Expiry Date
4.	Consent to operate under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 for Jangalpur Facility read with NOC no 172414 for change of name of the Company from private to public	Environmental Engineer, West Bengal Pollution Control Board	CO127979	December 31, 2020	October 31, 2023
5.	Authorisation under the Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016 for Jangalpur Facility	Chief Engineer, Waste Management Cell, West Bengal Pollution Control Board	Memo No. 25/2S(HW)-1795/2004 (Pt-1)	February 26, 2021	July 31, 2025
6.	Approval to store petroleum not exceeding 30 KL of Class C under the Petroleum Act, 1934 and the rules made there under.	Petroleum & Explosive Safety Organisation, Ministry of Commerce and Industry	A/P/EC/WB/15/358 (P545179)	August 30 2022	-
7.	Approval to store petroleum not exceeding 40 KL of Class C under the Petroleum Act, 1934 and the rules made there under.	Petroleum & Explosive Safety Organisation, Ministry of Commerce and Industry	A/P/EC/WB/15/359 (P545180),	August 30 2022	-
8.	Self Sealing Permission issued under the Customs Act, 1962	Assistant Commissioner of Customs, Self-sealing Cell, Custom House, Kolkata	F. No. S37(Misc)-99/2017 (P)/ Self-Sealing	December 20, 2017	-
9.	License to use the Jangalpur Facility as a warehouse/ workshop for storing or processing or keeping Petroleum and Petroleum derivatives and Plastic, Plastic Powder, granuels and Plastic Products under West Bengal Fire Services Act, 1950.	Collector, Fire License Station	IND/WB/FSL/ 20192020/ 222011	November 3, 2022	November 13, 2025

*Manufacturing facility situated at Plot No. 10, 15 & 16, 17 & 18, APIIC Industrial Park, Attivaram (V), Ojili (M), S.P.S.R. Nellore District – 524 421 (“**Naidupeta Facility**”) managed by our Material Subsidiary*

S. No.	Particulars	Issuing Authority	License No.	Date of Issue	Expiry Date
1.	Factory License in respect of factory situated at Plot No. 10, 15 & 16, 17 & 18, APIIC	Inspector of Factories, Nellore	A/295/2016	June 1, 2016	-

S. No.	Particulars	Issuing Authority	License No.	Date of Issue	Expiry Date
	Industrial Park, Attivaram (V), Ojili (M), S.P.S.R. Nellore District – 524 421, issued under the Factories Act, 1948				
2.	Fire Certificate for Naidupeta Facility issued under the AP Fire Safety Act, 1999	District Fire Officer, Andhra Pradesh, Nellore	14837/NLR/ DFO/2020	October 10, 2020	October 9, 2023
3.	Orange Category Combined order of Consent and Hazardous Waste Authorisation under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016 .	Joint Chief Environmental Engineer, Andhra Pradesh Pollution Control Board	N-278/ APPCB/ ZO-VJA/ CFO/ W&A/2022	April 21, 2022	July 31, 2026
4.	Red Hazardous Category Combined order of Consent and Hazardous Waste Authorisation under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016.	Joint Chief Environmental Engineer, Andhra Pradesh Pollution Control Board	N-278/ APPCB/ ZO-VJA/ CFO/ W&A/2016	September 18, 2019	August 31, 2024
5.	Combined order of Consent and Hazardous Waste Authorisation under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016.	Joint Chief Environmental Engineer, Andhra Pradesh Pollution Control Board	N-278/ APPCB/ ZO-VJA/ CFO/ W&A/ 2021	July 03, 2021	May 31, 2026
6.	Combined order of Consent and Hazardous Waste Authorisation under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and other wastes (Management and	Joint Chief Environmental Engineer, Andhra Pradesh Pollution Control Board	N-546/APPCB/ZO-VJA/CFO/W&A/2022	August 12 2022	June 30, 2027

S. No.	Particulars	Issuing Authority	License No.	Date of Issue	Expiry Date
	Transboundary Movement) Rules, 2016.				
7.	Combined order of Consent and Hazardous Waste Authorisation under Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981 and Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016.	Joint Chief Environmental Engineer, Andhra Pradesh Pollution Control Board	N-278/APPCB/ZO-VJA/CFO/W&A/2022	August 22 2022	June 30, 2026
8.	Trade License under the Greater Hyderabad Municipal Corporation, Act 1955	Commissioner/ Executive Officer, Andhra Pradesh Industrial Infrastructure Corporation Limited	APIIC/ IALA/ IP-Attivaram/2022-2023/366	September 28, 2022	March 2023
9.	License to manufacture for sale (or for distribution) of drugs other than those specified in Schedules C, C(1), and X under the Drugs and Cosmetics Act, 1940	Drug Control Administration, Government of Andhra Pradesh	06/NLR/AP/2020/B/G	February 25, 2020	February 24, 2025
10.	Self Sealing Permission issued under the Customs Act, 1962	Commissioner of Customs, Government of India and Government of Andhra Pradesh	CC(P)VJACUS 44/2018	February 02, 2018	-
11.	Approval to store petroleum not exceeding 40 KL of Class C under the Petroleum Act, 1934 and the rules made thereunder.	Petroleum & Explosive Safety Organisation, Ministry of Commerce and Industry	A/P/SZ/AP/15/75 (P543080)	August 05 2022	-
12.	Approval to store petroleum not exceeding 40 KL of Class C under the Petroleum Act, 1934 and the rules made thereunder.	Petroleum & Explosive Safety Organisation, Ministry of Commerce and Industry	A/P/SZ/AP/15/76 (P542552)	August 05 2022	-

IV. Material Approvals applied for by our Company and its Material Subsidiary but, yet to receive grant

There are no Material Approvals that have been applied for but to be received by the Company and or its Material Subsidiary.

V. Material approvals required but not obtained or applied for by our Company and its Material Subsidiary

There are no Material Approvals that are required for undertaking the Company's current business activities that are required and have not been applied for by our Company and our Material Subsidiaries.

VI. Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company does not have any registered intellectual property. For details, see "*Our Business– Intellectual Property*" and "*Risk Factors – Our name and logo are not registered as a trademark. If we are unable to protect our intellectual property rights, our business, financial condition and results of operations may be adversely affected*." on pages 188 and 40.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by our Board of Directors pursuant to the resolution passed at its meeting dated September 27, 2022, and the Offer has been authorised by our Shareholders pursuant to a special resolution passed at their EGM dated September 28, 2022, and this DRHP has been approved by our Board pursuant to the resolution passed at its meeting held on January 4, 2023. Our Board of Directors has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution passed at its meeting dated January 4, 2023. For further details, please see section titled "*The Offer*" on page 65.

Each Selling Shareholders, severally and not jointly, have confirmed and authorized their participation in the Offer for Sale in relation to their portion of Offered Shares by way of their respective consent letters as set out below:

Sr. No.	Name of the Selling Shareholder	Offered Shares	Date of the consent letter	Date of authorization
1.	Vision Projects & Finvest Private Limited	Up to 3,640,000	January 4, 2023	June 30, 2022
2.	Jayanti Commercial Limited	Up to 140,000	January 4, 2023	June 30, 2022
3.	Suresh Kumar Jhunjhunwala (HUF)	Up to 1,270,000	January 4, 2023	Not Applicable
4.	Anirudh Jhunjhunwala (HUF)	Up to 650,000	January 4, 2023	Not Applicable

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, members of our Promoter Group and our Directors are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities. None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholders, severally and not jointly, confirm that they are not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Company, Promoters, Directors or Selling Shareholders have neither been declared as Wilful Defaulters nor Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of our Promoter Group, and the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with securities market. Further there has been no outstanding actions initiated by the SEBI against our Directors 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 net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year, other than the deletion of the word "Private" from the name of our Company pursuant to conversion to a public limited company. The Company has not undertaken any new activity pursuant to such change in name.

Our Company's pre-tax operating profits, net worth, restated net tangible assets and restated monetary assets derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three fiscal years are set forth below:

Derived from our Restated Consolidated Financial Information:

(in ₹ million)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Operating Profit, as restated (1)	534.80	411.62	173.98
Average Operating Profit	373.47		
Net Worth, as restated (2)	1,476.58	1,084.77	849.51
Net Tangible Assets, as restated (3)	1,565.89	1,185.42	894.16
Monetary Assets, as restated (4)	84.65	55.26	10.56
Monetary assets as a percentage of the net tangible assets (in %), as restated	5.41%	4.66%	1.18%

(1) *'Operating Profit' is defined as restated profit before tax and finance costs but excluding other income.*

(2) *'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss 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, capital reserve arising on consolidation, write back of depreciation and amalgamation.*

(3) *'Net Tangible Assets' means the sum of all net assets (arrived at by deducting non-current liabilities and current liabilities 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.*

(4) *Monetary asset is the aggregate of cash on hand, cash equivalents and balance with banks (including other bank balances and interest accrued thereon).*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of our Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors or the Selling Shareholders are associated as promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors have been identified as a Wilful Defaulters or Fraudulent Borrowers (as defined in the SEBI ICDR Regulations) by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI;

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated June 20, 2022 and June 20, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoters and the Selling Shareholders are in dematerialised form;

(viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus;

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, as the entire objects of the Offer are proposed to be financed from the Offer proceeds;

(x) Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively; and

(xi) Our Company has appointed [●] as the Designated Stock Exchange.

Our Company will ensure compliance with the conditions specified in Regulation 7(2) and 7 (3) of the SEBI ICDR Regulations, to the extent applicable. Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Each of the Selling Shareholders, severally and not jointly, confirms that the Offered Shares have been held by them in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING CENTRUM CAPITAL LIMITED, EMKAY GLOBAL FINANCIAL SERVICES LIMITED AND KEYNOTE FINANCIAL SERVICES LIMITED ("BRLMs), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGES THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [JANUARY 4, 2023] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

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 OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and the BRLMs

Our Company, our Directors 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 instance and anyone placing reliance on any other source of information, including our Company's website at www.jgchem.com , or the respective websites of our Promoter Group or any affiliate of our Company would be doing so at their own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the 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 Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoters, their directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, and their directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from the Selling Shareholders

The Selling Shareholders 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.jgchem.com, or the respective websites of our Promoter Group, Group Companies or any affiliate of our Company would be doing so at his or her own risk.

The Selling Shareholders accept no responsibility for any statements made in this Draft Red Herring Prospectus, other than those specifically made or confirmed by the Selling Shareholders in relation to themselves as a Selling Shareholders and their respective portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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. The Selling Shareholders and their representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, 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 equity shares, public financial institutions as specified under Section 2 (72) of the Companies Act, 2013, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, only.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only 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 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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.

- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that it did not purchase the Equity Shares offered in the Offer as result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Offer, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Agree to indemnify and hold our Company, the Selling Shareholders, the BRLMs and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Acknowledge that our Company, the Selling Shareholders, the BRLMs and the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law and the Selling Shareholders will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect their portion of Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to interest on such refunds will be reimbursed by the Selling Shareholders.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholders confirm that they shall extend reasonable support and co-operation as may be required by our Company and the BRLMs to facilitate the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum or such other rate as may be prescribed by the SEBI from time to time, for the delayed period, subject to applicable law.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to the Company as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, Statutory Auditors, Independent Chartered Engineer, Bankers to our Company, the BRLMs, Registrar to the Offer, lenders of our Company (wherever applicable) and CARE, in their respective capacities, have been obtained and all such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank(s) and Monitoring Agency to act in their respective capacities, will be obtained as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

Experts to the Offer

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

Our Company has received written consent dated January 4, 2023 from our Statutory Auditors namely, S. Jaykishan, Chartered Accountants, holding a valid peer review certificate from ICAI to include their name as required under Section 26 of the Companies Act in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their examination report dated November 17, 2022, on our Restated Consolidated Financial Information and on the statement of special tax benefits dated December 22, 2022 included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under Securities Act.

Our Company has received written consent dated January 4, 2023, from Ramesh Verma & Co., 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 the Independent Chartered Accountant in respect of information certified by them, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under Securities Act.

Our Company has received written consent dated November 15, 2022, from Jayam Consultants Private Limited, Independent, Chartered Engineer, to include its 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 its capacity as the an Independent Chartered Engineer in respect of information certified by him, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under Securities Act.

Particulars regarding capital issues by our Company and listed group companies, Subsidiaries, or associate entities during the last three years

Other than as disclosed in section titled "*Capital Structure*" on page 83, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Except for the equity shares of Jayanti Commercial Limited, one of our group company, which is listed on Calcutta Stock Exchange, our Company does not have any listed group company or any listed subsidiary or a listed associate entity. Further, Jayanti Commercial Limited has not made any public issues in the last 3 years.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage by our Company for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Our Company has not undertaken any public issue or rights issue in the last five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

As on the date of this Draft Red Herring Prospectus our Company does not have a corporate promoter. Further, our Subsidiaries are not listed on any stock exchange.

Price information of past issues handled by the BRLMs

1) Centrum Capital Limited

1. Price information of past issues handled by Centrum Capital Limited:

Sr. No.	Issue Name	Issue Size (in ₹ 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	-	-	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by Centrum Capital Limited:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2) Emkay Global Financial Services Limited

1. Price information of past issues handled by Emkay Global Financial Services Limited:

Sr. No.	Issue Name	Issue Size (in ₹ 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	Ethos Limited	4,022.56	878.00	May 30, 2022	830.00	-11.50%, [-5.18%]	20.68%, [5.20%]	4.65%, [11.39%]
2	Heranba Industries Limited	6,252.40	627.00	March 05, 2021	900.00	0.90%, [-0.74%]	20.98%, [3.62%]	27.03%, [13.75%]

2. Summary statement of price information of past issues handled by Emkay Global Financial Services Limited:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23(1)	1	4,022.56	0	0	1	0	0	0	0	0	0	0	0	1
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	1	6,252.40	0	0	0	0	0	1	0	0	0	0	1	0

(1) Details indicated in 2022-23 are for the public issues completed as on date

Notes:

i. *The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.*
ii. *In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.*
iii. *Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices*

3) Keynote Financial Services Limited

1. Price information of past issues handled by Keynote Financial Services Limited:

Sr. No.	Issue Name	Issue Size (in ₹ 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	-	-	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by Keynote Financial Services Limited:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

S. No.	Name of the BRLMs	Website
1.	Centrum Capital Limited	www.centrum.co.in
2.	Emkay Global Financial Services Limited	www.emkayglobal.com
3.	Keynote Financial Services Limited	www.keynoteindia.net

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 ("**March 2021 Circular**"), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Subsequently, SEBI vide its circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 ("**June 2021 Circular**"), modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.

Per the March 2021 Circular read with the June 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Banks to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock

Delayed unblock for non – Allotted/ partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, 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.

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.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank 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 our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018 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, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 ("**April 2022 Circular**") 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 BRLMs shall compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount for the period of such delay.

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 herein.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES and will accordingly be in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES, immediately after filing this Draft Red Herring Prospectus.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 (ten) 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.

Our Company has appointed Swati Poddar, the Company Secretary of our Company, as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related issues. For further details, please see section titled "*General Information*" on page 74.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress shareholder 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, please see section titled "*Our Management*" on page 203. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, the BRLMs and the Registrar to the Offer to redress complaints, if any, of the investors.

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.

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

Our Company had filed an application dated June 22, 2022, with SEBI seeking an exemption under Regulation 300(1)(b) and (c) of the SEBI ICDR Regulations, from classifying Relevant Persons, their connected entities and transacting entities, as members of our Promoter Group and including relevant disclosures, confirmations and undertakings in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in relation to the same. SEBI vide its letter dated December 21, 2022, bearing reference number SEBI/ERO/P/OW/2022/63138/1 approved our application and granted us the exemption sought therein.

SECTION IX: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN 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 the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses between our Company and the Selling Shareholders, please see section titled "*Objects of the Offer*" on page 100.

Ranking of the Equity Shares

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, MoA and AoA and shall rank pari passu in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see section titled "*Description of Equity Shares and Terms of Articles of Association*" on page 384.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our MoA and AoA and provisions of the SEBI Listing Regulations and any other applicable laws including guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, please see sections titled "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 234 and 384, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10, and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹[●] per Equity Share and at the Cap Price is ₹[●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the Selling Shareholders and the BRLMs and advertised [●], which shall be published in [●] editions of [●], an English national newspaper, [●] editions of [●], a Hindi national newspaper and [●] editions of [●], a Bengali daily newspaper (Bengali being the regional language of West Bengal where our Registered Office is located) each with wide circulation, 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 the same 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 on the websites of the Stock Exchanges. The Offer Price shall be determined by our

Company, in consultation with the Selling Shareholders and the BRLMs, after the Bid/Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination of Equity Shares.

Jurisdiction

The courts of competent jurisdiction in India will have exclusive jurisdiction in relation to this Offer.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, please see section titled "*Description of Equity Shares and Terms of Articles of Association*" on page 384.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated June 20, 2022 among our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated June 20, 2022 among our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, please see section titled "*Offer Procedure*" on page 360.

Joint Holders

Subject to the provisions contained in our AoA, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of Equity Shares who has made the nomination by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) 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, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

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

* *Our Company may, in consultation with the Selling Shareholders and the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

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

\# *UPI mandate end time and date shall be at [●] on [●].*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER CLOSES ON	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of 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. 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, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and the SEBI circular no.*

SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of fund and the provisions shall also be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021, SEBI circular dated April 20, 2022 and SEBI circular dated May 30, 2022 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/ Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or the BRLMs.

While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the Selling Shareholders and the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend reasonable support and co-operation as may be required by our Company and the BRLMs to facilitate the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

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

**UPI mandate end time and date shall be at 12:00pm on [●]*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs Bidding under Net Offer.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs bidding under Net Offer, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected**.** Bids and any revision in Bids will be accepted only during 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.

In case of any 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 shall be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the Selling Shareholders and the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, provided that the Cap Price shall be atleast 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company 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, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale portion in accordance with the SEBI ICDR Regulations and Companies Act. In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. In terms of the applicable provisions of the SEBI ICDR Regulations, and the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall forthwith, but no later than within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the

Stock Exchanges for the Equity Shares. If there is a delay beyond fifteen days after the Company becomes liable to pay the amount, the Selling Shareholders, to the extent applicable, and our Company shall pay interest at the rate of 15% per annum.

In the event of an under-subscription in the Offer, Allotment of valid Bids will be made in the first instance towards Minimum Subscription, provided that post satisfaction of the Minimum Subscription, subject to receipt of any remaining valid Bids, Equity Shares will be Allotted (a) in priority towards the balance Fresh Issue; and (b) Offered Shares being offered by the Selling Shareholders post complete allotment of the Equity Shares forming part of the Fresh Issue, proportionately towards the Offered Shares being offered by the Selling Shareholders. For avoidance of doubt, it is hereby clarified that Offer for Sale portion of the Offer will be offered only once the entire portion of the Fresh Issue is Allotted in the Offer. Under subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

The Selling Shareholders shall reimburse, in proportion to the portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholders.

Further, our Company and Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the 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.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in the section titled "*Capital Structure*" on page 83 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of the Equity Shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For further details, please see section titled *"Description of Equity Shares and Terms of Articles of Association*" on page 384.

Withdrawal of the Offer

Our Company in consultation with the Selling Shareholders and the BRLMs, reserve the right not to proceed with the Offer, in whole or in part thereof, to the extent of their respective portion of Offered Shares after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the 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. The BRLMs through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) shall notify the Escrow Collection Banks to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 4 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 4 Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) filing of the Prospectus with the RoC. If our Company, in consultation with the Selling Shareholders and the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

Offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million, comprising a Fresh Issue of [●] Equity Shares aggregating up to ₹ 2,025.00 million by our Company and an Offer for Sale of up to 5,700,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.

The Offer is being made through the Book Building Process.

Particulars	QIBs [(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation [(2)]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation, out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. Provided that the unsubscribed portion in either of the sub-categories specified	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation

Particulars	QIBs [1]	Non-Institutional Bidders	Retail Individual Bidders
		above may be allocated to applicants in the other sub-category of Non-Institutional Bidders	
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of 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	The Allotment to each Non-Institutional Investor shall not be less than ₹ 0.2 million, subject to the availability of Equity Shares in Non-Institutional Investors' category, and the remaining Equity Shares, if any, shall be Allotted on a proportionate basis.	Proportionate, subject to the minimum Bid Lot Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. Please see, section titled "*Offer Procedure*" on page 360.
Mode of Bid	ASBA only (excluding the UPI mechanism) except for Anchor Investors[6]	ASBA only (including the UPI mechanism), to the extent of Bids up to ₹ 0.5 million	ASBA only (including the UPI mechanism)
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 0.20 million	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million
Mode of Allotment	Compulsorily in dematerialized 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] [4]	Public financial institutions as specified in Section 2(72) of the	Resident Indian individuals, Eligible NRIs on a non-	Resident Indian individuals, Eligible NRIs and HUFs (in the

Particulars	QIBs [(1)]	Non-Institutional Bidders	Retail Individual Bidders
	Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, multilateral and bilateral development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250.00 million, pension fund with minimum corpus of ₹250.00 million in accordance with applicable law and National Investment Fund set up by the Government, 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 NBFCs	repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI	name of Karta) applying for Equity Shares such that the Bid amount does not exceed ₹ 0.2 million in value
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[(5)] **In case of all other Bidders:** Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for UPI Bidders using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form.		

**Assuming full subscription in the Offer*

(1) *Our Company, in consultation with the Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion 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.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than*

50% of the Offer shall be available for allocation 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 QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to all QIBs. Further, (a) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which (i) one third shall be reserved for applicants with application size of more than ₹0.2 million and up to ₹1 million, and (ii) two-thirds shall be reserved for applicants with application size of more than ₹ 1 million provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders) and (b) not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer. 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 Selling Shareholders and the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see section titled "Terms of the Offer" on page 349.

(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. 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. 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, except as otherwise permitted, in any or all categories.*

(4) *With respect to restrictions on participation in the Offer, please see the sections titled "Offer Procedure" and "Restrictions on Foreign Ownership of Indian Securities" on pages 360 and 382, respectively.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

(6) *Anchor Investors are not permitted to use the ASBA process.*

The Bids by FPIs with certain structures as described under section titled "*Offer Procedure – Bids by FPIs*" on page 368 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of unblocking intimation/making refunds, as applicable; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications and electronic registration of bids.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, 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. The final reduced timeline will be made effective using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars, to the extent in force are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The BRLMs shall be the nodal entity for any issues arising out of public Issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLMs shall continue to coordinate with intermediaries involved in the said process.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

In order to streamline the bidding process and to ensure the orderly development of securities market, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Thereafter, all intermediaries / market infrastructure institutions shall ensure that appropriate systemic and procedural arrangements are made within three months from the date of issuance of SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and 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 the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

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 allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the Selling Shareholders and the BRLMs, 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 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 shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders (out of which (i) one third shall be reserved for Bidders with Bids exceeding ₹0.2 million and up to ₹1 million, and (ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 1 million provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders), and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Our Company and Selling Shareholders in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement (i) through a further issue of Equity Shares, including by way of private placement, aggregating up to ₹400.00 million; or (ii) through a secondary sale by the Selling Shareholders of up to 28,50,000 Equity Shares; or (iii) a combination thereof, as per the applicable limits under SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the ROC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and Selling Shareholders in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, then the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue size and/or the Offer for Sale portion, subject to compliance with Rule 19(2)(b) of the SCRR and under Schedule XVI (1) of the SEBI ICDR Regulations.

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 of Bidders at the discretion of our Company, in consultation with the Selling Shareholders and the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Undersubscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. In case of an undersubscription in the Offer, Allotment of valid Bids will be made in the first instance towards Minimum Subscription, provided that post satisfaction of the Minimum Subscription, subject to receipt of any remaining valid Bids, the Equity Shares will be Allotted (a) in priority towards the balance Fresh Issue; and (b) Offered Shares being offered by the Selling Shareholders post complete Allotment of the Equity Shares forming part of the Fresh Issue, proportionately towards to the Offered Shares being offered by the Selling Shareholders.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, September 17, 2021 and March 30, 2022.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 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, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. 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. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of [●], an English national newspaper, [●] editions of [●], a Hindi national newspaper and [●] editions of [●], a Bengali daily newspaper (Bengali being the regional language of West Bengal where our Registered Office is located) each with wide circulation, on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Offer is being made under Phase II of the UPI Circulars, unless Phase III of the UPI Circulars becomes effective and applicable on or prior to the Bid/Offer Opening Date. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI Mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such SCSBs make an application as prescribed in Annexure I of SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021,SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. Such application shall be given only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

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 the Bidding Centres and our Registered Office. An electronic copy of the Bid cum Application 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.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

All ASBA Bidders must provide either (i) bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Form that does not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made through ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Forms in the manner as follows: (i) UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers; (ii) RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers and (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a non-repatriation basis	[●]
Anchor Investors	[●]

**Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus 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 shall be available at the offices of the BRLMs

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding through 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). Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/ Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank 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 UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

ELECTRONIC REGISTRATION OF BIDS

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.

c) Only Bids that are banked and uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and 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 in accordance with any applicable U.S. state

securities laws. Accordingly, the Equity Shares are being offered and sold only 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 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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoters and members of our Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion 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 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.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of our Promoter Group will not participate in the Offer, except to the extent of participation by our Promoters and members of our Promoter Group in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV 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 schemes. 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 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).

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 NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or confirm or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment. 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 investment by NRIs, please see section titled "*Restrictions on Foreign Ownership of Indian Securities*" on page 382.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. The limits of investments by NRIs and OCIs has been increased from 10% to 12% of the paid-up equity share capital of the Company provided that the shareholding of each NRI or OCI in the Company shall not exceed 5% of the paid-up equity share capital on a fully dilutes basis or such other limit as may be stipulated by RBI in each case from time to time by passing a special resolution.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/Applicant 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/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and 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. In terms of the FEMA Non-Debt 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 reserves 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.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time. In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI 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.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Bids by SEBI registered VCFs, AIFs and FVCIs

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 SEBI VCF

Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs,

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs or FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. However, large value funds for accredited investors of Category I AIFs and Category II AIFs may invest up to 50% of the investible funds in an investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company 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 the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions – RBI (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on investment made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the RBI (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 SEBI circulars (Nos.

CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. 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 applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

** The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

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 a 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 reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, 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 law) 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 in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

b) The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 100 million.

c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

d) Bidding for Anchor Investors opened one Working Day before the Bid/Offer Opening Date and will completed on the same day.

e) Our Company, in consultation with the BRLMs, finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
- in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

g) 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 Offer Price

h) 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) nor any "person related to the Promoters or Promoter Group" could apply in the Offer under the Anchor Investor Portion.

j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that 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 law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

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, the Selling Shareholders, and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

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 Bidders can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidder Bidding through the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. 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;

9. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. UPI Bidders bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) 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, 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;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. 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;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

25. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

26. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank by 5:00 p.m. on the Bid/ Offer Closing Date;

27. 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;

28. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

29. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding through the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

30. Ensure sufficient balance in the relevant ASBA account.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, 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. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not submit the Bid for an amount more than funds available in your ASBA account.

9. 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 a Bidder;

10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

11. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

12. Anchor Investors should not Bid through the ASBA process;

13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

15. Do not submit the General Index Register (GIR) number instead of the PAN;

16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

17. 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;

18. 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);

19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

20. Do not submit your Bid after 5.00 pm on the Bid/Offer Closing Date;

21. If you are a QIB, do not submit your Bid after 5:00 pm on the QIB Bid/Offer Closing Date;

22. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

23. Do not Bid for Equity Shares in excess of what is specified for each category;

24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

27. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;

28. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

29. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding through the UPI Mechanism;

30. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);

31. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 0.50 million;

32. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and

33. Do not Bid if you are an OCB.

34. The Bidder does not have sufficient balance in relevant ASBA account

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile

application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the first Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹ 200,000 (net of retail discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, please see section titled "*General Information*" on page 74.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see section titled "*General Information – Book Running Lead Managers*" on page 75.

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 through the Red Herring Prospectus and the Prospectus 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% per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares

Payment into Escrow Account(s) for Anchor Investors

Our Company and Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper; (ii) [●] editions of [●], a Hindi daily newspaper; and (iii) [●] editions of [●], a Bengali daily newspaper, Bengali being the regional language of West Bengal, where our Registered Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) [●] editions of [●], an English national daily newspaper; (ii) [●] editions of [●], a Hindi daily newspaper; and (iii) [●] editions of [●], Bengali daily newspaper, Bengali being the regional language of West Bengal, where our Registered Office is located, each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting

Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, 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 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps 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 shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;

- if 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. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the 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;

- except for the Pre-IPO Placement, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc

- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.

- 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; and

- that if our Company and the Selling Shareholders, in consultation with the BRLMs withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or any of the Selling Shareholders subsequently decides to proceed with the Offer thereafter.

Undertakings by the Selling Shareholders

The Selling Shareholders undertakes in respect of itself as a 'selling shareholder' and its portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;

- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI

- the Equity Shares offered for sale by the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

- the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;

- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- it shall provide such reasonable support and cooperation to our Company and the BRLMs in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and

- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company in consultation with the Selling Shareholders and the BRLMs, in accordance with applicable law.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account (for the purpose of monitoring by the Monitoring Agency) other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be from the above-mentioned separate bank account only and the same shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised 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 unutilised monies have been invested.

The Selling Shareholders specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. 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. For further details, please see section titled "*Key Regulations and Policies in India*" on page 190.

As per the current FDI policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, please see section titled "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 366 and 367, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, please see section titled "*Offer Procedure*" on page 360.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. 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.

Foreign Exchange Laws

The foreign investment in our Company is governed by *inter alia* the FEMA, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations.

In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and 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 Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only 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 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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION X: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

(THE COMPANIES ACT, 2013)

DEFINITION AND INTERPRETATION

1. (1) In these Articles -----

(a) "Act" means the Companies Act, 2013 (to the extent as and when notified) and any Rules made thereunder or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is reliable to the relevant Article in which the said term appears in these Articles, and any previous company law, so far as may be applicable.

(b) "Annual General Meeting" shall mean a General Meeting of the holders of equity Shares held annually in accordance with the applicable provisions of the Act.

(c) "Articles" mean these articles of association of the Company as originally framed or altered from time to time or applied in pursuance of any previous company law or the Act.

(d) "Auditors" means and includes those appointed as such for the time being by the Company in terms of provisions of the Companies Act, 2013

(e) "Board of Directors" or "Board" means the collective body of the Directors of the Company nominated and constituted from time to time, in accordance with applicable Law and the provisions of these Articles.

(f) "Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with applicable Law and the provisions of these Articles.

(g) "Beneficial Owner" means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.

(h) "Capital" or "Share Capital" means the Equity Share Capital of any face value together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.

(i) "Chairman" or "Chairperson" means the chairperson of the Board of Directors for the time being of the Company or the person elected or appointed to preside over the Board or/and general meetings of the Company.

(j) "Committee" means Committee of Board of Directors.

(k) "Company" means '**J.G. Chemicals Limited**.

(l) "Company Secretary" or "Secretary" means a Company Secretary as defined in clause (c) of subsection (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a Company to perform the functions of the Company Secretary under the Act.

(m) "Debenture(s)" means Debenture(s) as defined in sub-section 30 of Section 2 of the Act.

(n) "Depositories Act" shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

(o) "Depository" means a depository as defined under clause (e) of sub-Section (1) of Section 2 of the Depositories Act.

(p) “Director” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the applicable Law and the provisions of these Articles

(q) “Dividend” shall include interim dividend.

(r) "Documents" includes summons, notices, requisition, order, declaration, form and register, other legal process and registers, whether issued, sent or kept in pursuance of the Act or under any other applicable Law for the time being in force or otherwise, maintained on paper or in electronic form.

(s) “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.

(t) “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Companies Act, 2013.

(u) “General Meeting” means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting.

(v) “Independent Director” shall have the meaning assigned to the said term under the Act and the SEBI Regulations (as applicable).

(w) “INR” or “Rs.” means the Indian Rupee, the currency and legal tender of the Republic of India.

(x) "Key Managerial Personnel", in relation to a company, means (i) the Chief Executive Officer or the managing director or the manager;(ii) the company secretary;(iii) the whole-time director; (iv) the Chief Financial Officer; (v) 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 (vi) such other officer as may be prescribed under applicable Law.

(y) “Law” includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, circulars, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority, statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and regulations.

(z) “Managing Director” means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in the General Meeting, or by the Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

(aa) “Member”, in relation to the Company, means –

(i) every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a Depository.

(ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the Register of Members;

(bb) “Memorandum” means the memorandum of association of the Company, as amended or altered from time to time in accordance with the provisions of the Act.

(cc) “Office” means the registered office for the time being of the Company.

(dd) “Ordinary Resolution” shall have the meaning assigned to it in Section 114 of the Act.

(ee) “Register” means the register of Members of the Company required to be kept pursuant to the Act.

(ff) "Registrar" or "ROC" or "Registrar of Companies" means Registrar of Companies, under whose jurisdiction the registered office of the Company is situated.

(gg) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(hh) "Seal" means the Common Seal of the Company.

(ii) "SEBI" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

(jj) "SEBI Regulations" means all the regulations, rules, circulars, notifications, orders, advisory including all forms of communication and amendments, modification or re-enactment to any thereof as applicable to the Company and issued by SEBI.

(kk) "Securities" means the securities as defined in Securities Contracts (Regulation) Act, 1956 or any amendment as may be made from time to time.

(ll) "Shares" means a share in the Share Capital of the Company and includes stock.

(mm) "Shareholder" shall mean a Member of the Company.

(nn) "Special Resolution" shall have the meaning assigned to it in Section 114 of the Act.

(oo) "Tribunal" means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.

(2) In "Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form including electronic mode as provided in the Information Technology Act, 2000 as amended from time to time.

(3) Words importing persons shall include bodies corporate, corporations, companies, individuals, sole proprietorship, unincorporated association, unincorporated organization, association of persons, partnership, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law (whether registered or not and whether or not having separate legal personality) and where the context permits, shall also include such person's respective successors, legal heirs and permitted assigns.

(4) Words importing the masculine gender shall include the feminine gender and vice-versa.

(5) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

(6) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as provided in the Act or the Rules made under the Act or the Depositories Act or the SEBI Regulations, as the case may be, if not inconsistent with the subject or context.

(7) 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.

(8) 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.

(9) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(10) Wherever the words “include,” “includes,” or “including” are used in these Articles, such words shall be deemed to be followed by the words “without limitation”.

(11) The terms "herein", "hereby", "hereof" and derivative or similar words refer to these entire Articles and not to any particular clause, article or section of these Articles.

(12) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the rules, the provisions of the Act and rules will prevail.

PUBLIC COMPANY

The Company is a public company as defined under Section 2 (71) of the Act, limited by shares.

SHARE CAPITAL AND VARIATION OF RIGHTS

2. The authorised Share Capital of the Company shall be such amount and be divided into such shares or such classes as may from time to time, be provided under Clause V of the Memorandum of Association of the Company.

3. The Company shall have the power, subject to the provisions of the Act, to reclassify, subdivide, consolidate, increase or reduce the capital for the time being of the Company and to divide the shares in the capital into several classes with rights, privileges or conditions as may be determined which inter alia may include Equity Share Capital and /or with differential voting rights as to dividend, voting or otherwise in accordance to such rules as may be prescribed under the act and prevailing at the time of issue of securities;

4. Subject to the provisions of these Articles and Section 55 of the Act and Rules made thereunder and other provisions of the Act, the Board shall have power to issue or re-issue preference shares of one or more classes, which are liable to be redeemed or converted into equity shares on such terms and in such manner as the as determined by the Board in accordance with the Act.

5. Subject to the provisions of Act, these Articles and with the sanction of the Company in the general meeting to give to any, the Board may issue options to any person (whether or not the share/security holders of the Company or under employees stock option scheme formulated by the Company) which may entitle the holders thereof to subscribe to equity shares with or without consideration, and with or without refundable/forfeitable deposit, for such exercise period and on such terms and conditions as the Board (or any Committee duly authorised by the Board) may deem fit. Accordingly, the Board/committee may in its discretion, with respect to any share which is fully paid, upon application in writing signed by the persons registered as holders of the shares and authenticated by such evidence (if any) as the Board/Committee may from time to time require as to identify the person signing the application, and on receiving the certificate (if any) and the amount of the stamp duty on the share and such fee as the Board/Committee may from time to time require, issue and allot equity shares.

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 Board of 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 at a discount (subject to compliance with section 53 of the Act) and at such time as they may from time to time think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.

   Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

7. Subject to the provisions of the Act and these Articles or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-

up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

8. (a) The Board or the Company itself, as the case may be, may, in accordance with the Act and these Articles, issue further securities to:

(i) persons who, at the date of offer, are holders of the securities of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the securities offered to him or any of them in favour of any other person who may or may not be the Member of the Company; or

(ii) employees under any scheme of employees' stock option; or

(iii) any persons, whether or not those persons include the persons referred to in Article 11(a)(i) or Article 11(a)(ii) above on preferential or private placement basis as may be deemed fit.

Provided that nothing in Article 11(a)(i) 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 that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(b) A further issue of securities may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement or otherwise, subject to and in accordance with the Act, SEBI Regulations and these Articles.

(c) Subject to the provisions of applicable Law, the Company may issue options to any Directors, not being Independent Directors (unless permitted by the act), officers, or employees of the Company, its subsidiaries or its parents, which would give such Directors, officers or employee, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at pre-determined price, in terms of schemes of employees stock options or employees share purchase or with both. Provided that it will be lawful for such scheme to require an employee, officer, or Director leaving the Company, to transfer securities acquired in pursuance of such option, to a trust or other body established for the benefit of the Company.

(d) Subject to and in compliance with the provisions of applicable Law, the Company may issue the equity share (sweat equity shares) to its employees or its Director(s) at a discount or for consideration other than cash for providing know-how or technical services or professional services/expertise in normal course of business or in a project undertaken by the Company to accomplish the objects of the Company, or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

9. The Company in a General Meeting may decide to issue fully paid up bonus securities to the member, if so recommended by the Board in accordance with the Act and these Articles.

10. (i) Every person whose name is entered as a Member in the Register shall be entitled without payment to one or more certificates in marketable lots, to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided-

(a) one certificate for all his shares without payment of any charges, or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

Every certificate shall be under the Seal and shall specify the number and distinctive numbers of Shares to which it relates and the amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that, in respect of a Share or Shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

(ii) In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

Provided that in the above cases under regulation (i) to (iii) above, if physical certificates are not allowed by the statute or regulatory authorities, the same would be facilitated in dematerialized form or other mode as permitted.

11. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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, a new certificate in lieu thereof shall be issued. Every certificate under this Act shall be issued on payment of twenty rupees for each certificate.

Provided that if physical certificates are not allowed by the statute or regulatory authorities, the same would be facilitated in dematerialized form or other mode as permitted.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange including the SEBI Regulations or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other applicable Law.

(ii) The provisions of aforesaid Articles shall mutatis mutandis apply to debentures of the Company to the extent applicable.

12. Shares may be issued and held either in physical mode or in dematerialized state with a Depository. Notwithstanding anything contained herein, the Company shall be entitled to dematerialize or rematerialize its shares, debentures and other securities pursuant to the Depositories Act and the rules framed thereunder, if any.

13. Subject to applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the creation and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

14. The Company shall intimate such Depository the details of allotment of share to enable the Depository to enter in its records the name of such person as the beneficial owner of that share.

15. The Company shall issue, when so required, receipts for all Securities deposited with it whether for registration, sub-division, exchange or for other purposes and shall not charge any fees for registration of transfers, for sub-division and consolidation of certificates and for sub-division of letters of allotment, renounceable letters of right, and split, consolidation, renewal and transfer receipts into denominations of the market unit of trading.

16. Except as required by applicable Law, no person shall be recognized 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 recognize (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 regulations or by applicable Law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

17. (i) The Company may exercise the powers of paying commissions conferred by sub-section(6) of Section 40 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and the Rules made there under.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules made under sub-section (6) of Section 40 of the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

18. (i) 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 provision 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.

(ii) To every such separate meeting the provisions of these regulations relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

19. 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.

20. The Company may issue the Shares in electronic and fungible form and in such case the provisions of Depositories Act or any amendments thereto shall apply.

21. That option or right to call of Shares shall not be given to any person except with the sanction of the Company in General Meetings.

NOMINATION BY SECURITIES HOLDERS

22. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

23. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

24. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

25. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

26. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

UNDERWRITING AND BROKERAGE

27. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

28. The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

LIEN

29. The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures. Unless otherwise agreed the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions or this clause.

30. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made-

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 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 holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

31. (i) To give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

(iii) 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.

32. (i)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.

(ii)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.

(iii) fully paid Shares shall be free from all lien and that in the case of partly paid Shares, the Company's lien, if any, shall be restricted to monies called or payable at a fixed time in respect of such shares

CALLS ON SHARES

33. (i) The Board may, from time to time, make calls upon the Members in respect of any monies 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 as per law.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times, place of payment and mode of payment, pay to the Company, at the time or times, place and mode so specified, the amount called on his shares.

(iii) 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 in installments.

35. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

36. (i) 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 thereon from the day appointed for payment thereof to

the time of actual payment at the rate permissible under the law or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

37. (i) Any sum which by the terms of 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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

38. The Board –

(i) may, if it thinks fit, subject to provisions of the Act, agree to and receive from any Member willing to advance the same, all or any part of the monies uncalled upon any shares held by him; and

(ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the Member paying the sum in advance.

(iii) Monies paid in advance shall not confer a right to dividend or to participate in the profits of the Company. The members 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.

(iv)The provisions of this Article shall mutatis mutandis apply to the calls on Debentures of the Company.

TRANSFER OF SHARES

39. The Shares and Securities of the Company are freely transferable. Any transfer of Shares or other Securities of the Company shall be completed in accordance with the provisions of the Act and these Articles.

40. The instrument of transfer of any Share and other Securities in the Company shall be in such form as may be prescribed under the Act and applicable SEBI Regulations. The aforesaid Securities transfer form shall be executed by or on behalf of both the Transferor and Transferee. The Transferor shall be deemed to remain the holder of such shares until the name of the Transferee is entered in the Register of Members in respect thereof. 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 and fungible form in a Depository, the provisions of the Depositories Act shall apply.

41. There shall be a common form of transfer in accordance with Act and Rules made thereunder.

42. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register in respect thereof.

43. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register -

(i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(ii) any transfer of shares on which the Company has a lien.

44. The Board may decline to recognise any instrument of transfer unless-

(i) the instrument of transfer is in the form as prescribed in the Rules made under sub-section (1) of Section 56 of the Act;

(ii) 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

(iii) the instrument of transfer is in respect of only one class of shares.

45. On giving not less than seven days' previous notice in accordance with Section 91 of the Act and the Rules made thereunder, 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 thirty days at any one time or for more than forty-five days in the aggregate in any year.

46. The Company on its own or through its registrar & transfer agent shall maintain a “Register of Transfers” and shall record therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other security held in a material form.

47. 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 except where the Company has a lien on Shares. Further, any contract or arrangement between 2 (two) or more persons in respect of the transfer shall be enforceable as a contract.

The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

48. The instrument of transfer of any Share in the Company shall be in writing and the provisions of the Act and statutory modifications thereof shall be duly complied with in respect of all transfer of Shares and registration thereof.

49. 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.

50. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other Securities including Debentures of the Company unless otherwise specifically provided under the Act.

DEMATERIALISATION OF SHARES & SECURITIES

51. The Company may enter into agreement with any Depository established under the Depositories Act, pursuant to which the members may dematerialise their shares and open accounts with depository participants appointed under Depositories Act and registered with the Securities and Exchange Board of India and the following provisions shall govern such dematerailised Shares notwithstanding anything contained elsewhere in these Articles :-

(i) No certificate shall be issued for dematerialized shares and certificates earlier issued will be cancelled wherever a member has opted to hold the same through Depository.
(ii) There will be no distinctive numbers for the dematerialised shares.
(iii) The records of members holding as maintained by the Depository and depository participants shall be the basis for all purpose of holdings of the members, who have opted for the dematerialization.
(iv) The dematerialized shares can be transferred / transmitted as per rules of the Depository.
(v) If a member having dematerialised his holdings of shares opts for rematerialisation of his holding of shares or a part thereof, share certificates will be issued to him on a written request received for that purpose through the depository participant.
(vi) The members shall bear all charges of the depository participant.

(vii) Persons appearing as beneficial owners as per the register maintained by the Depository shall be entitled to covered thereby and the Depository shall be the registered owner of such shares only for the purpose of effecting transfer of ownership of such shares on behalf of the beneficial owner.

(viii) The Company shall intimate the Depository the details of allotments of the shares in respect of members opting to hold the shares in dematerialized form.

(ix) Nothing contained in Section 56 of the Act or Articles shall apply to the extent the provisions of the Depositories Act are applicable in regard to the transfer of the shares but shall be applicable in all other respects.

(x) The provisions of these Articles shall mutatis mutandis apply to securities other than shares and any reference to member herein shall apply to the holder of the concerned security.

(xi) A Depository as a registered owner shall not have any voting right in respect of shares and securities held by it in dematerialized form. The Beneficial Owner as per the register of Beneficial Owner maintained by a Depository shall be entitled to such right in respect of the shares and securities held by him in the Depository. Any reference to the member or joint member in these Articles shall include a reference to Beneficial Owner of the Shares/Securities held in Depository.

(xii) Notwithstanding anything contained in these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository by means of Electronic mode.

(xiii) The Register and Index of Beneficial owner maintained by Depository under Depositories Act, as amended shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

TRANSMISSION OF SHARES

52. (i) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

53. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of these regulations 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.

(ii) 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.

54. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations 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.

55. 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 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

56. If a Member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

57. The notice aforesaid shall-

(i) name a further day (not being earlier than the expiry of 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

(ii) 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 shall be liable to be forfeited.

58. If the requirements of any such notice as aforesaid are 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.

59. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

60. (i) 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 him to the Company in respect of the shares.

(ii) 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.

61. (i) 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;

(ii) 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 disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

62. The provisions of these regulations as to forfeiture shall apply in the case of non- payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

SPECIAL NOTICE

63. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one percent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up and the Company shall give its members notice of the resolution in such manner as may be prescribed.

BORROWING POWERS

64. Subject to the provisions of the Act and these Articles, the Board may from time to time at its own discretion, raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the monies to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which monies may be borrowed by the Board of Directors.

65. The Board may by resolution at its meeting, delegate the above power to borrow money otherwise than on Debentures to a Committee of Directors or Managing Director or to any other person permitted by applicable Law, if any, and shall specify the total amount up to which monies may be borrowed which shall in no circumstances exceed the limits as permitted to be borrowed by the Board.

66. To the extent permitted under the applicable Law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interest of the Company.

67. Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into equity shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

ALTERATION OF CAPITAL

68. The Company may, from time to time, by Ordinary Resolution increase the authorised Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

69. Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution,-

(i) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

(ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(iv) cancel any shares which, at the date of the passing of the resolution, have not been taken agreed to be taken by any person.

70. Where shares are converted into stock,-

(i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as 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.

(ii) 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 stock which would not, if existing in shares, have conferred that privilege or advantage.

(iii) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

71. The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-

(i) its Share Capital;
(ii) any capital redemption reserve account; or
(iii) any share premium account.

CAPITALIZATION OF PROFITS

72. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve -

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (i), either in or towards-

a. paying up any amounts for the time being unpaid on any Shares held by such Member 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 Member in the proportions aforesaid;

c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued Shares to be issued to Member 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 regulation.

73. (i) 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 capitalized 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.

(ii) The Board shall have power-

(a) to make such provisions, by the issue of fractional certificates or by payment in cash otherwise as it thinks fit, for the case of shares becoming distributable infraction; and

(b) to authorise any person to enter, on behalf of all the Members entitled thereto, into 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, 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.

(iii) Any agreement made under such authority shall be effective and binding on such Members.

74. The Company shall not use revaluation reserves for issue of bonus Shares.

BUY BACK OF SHARES

75. Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other specified securities, and the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or specified securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals as required under the Act, SEBI Regulations or any other competent authority, as may be permitted by law.

REDUCTION OF CAPITAL

76. The Company may from time to time in accordance with the provisions of the Act and applicable SEBI Regulations by resolution as specified in the Act and SEBI Regulations, reduce:

(i) its Share Capital; and/ or,
(ii) any capital redemption reserve account; and or,
(iii) securities premium account; and or,
(iv) any other reserve in the nature of Share Capital.

and in particular may pay off any paid-up Share Capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum of Association by reducing the amount of its Share Capital and of its shares accordingly.

GENERAL MEETINGS

77. All General Meetings other than Annual General Meeting shall be called extraordinary General Meeting.

(i) The Board may, whenever it thinks fit, call an extraordinary General Meeting either physically or through video conferencing or any other electronic mode as permitted under the Act.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

78. No General Meeting shall be held unless at least 21 clear days prior written notice, or shorter written notice in accordance with the Act, of that meeting has been given to each Member as per the provisions of the Act; provided that any General Meeting, may be called after giving shorter notice than the notices required above, if consent thereto is accorded, in the case of any other meeting, by Members of the Company majority in number and representing / holding not less than 95% of the paid-up Share Capital which gives the right to vote to such Members. In General Meeting, only such agenda will be considered as is specified in the notice to the Members with respect to such meetings.

79. Notwithstanding anything contained in this Act or these Articles, the a Company—

(a) shall, in respect of such items of business as the Central Government may, by notification, declare 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.

(c) If a resolution is assented to by the requisite majority of the Shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

PROCEEDINGS AT GENERAL MEETINGS

80. (i) No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

(ii) Same as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.

81. The chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.

82. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their Members to be Chairperson of the meeting.

83. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

84. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) 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.

(iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

85. Subject to any rights or restrictions for the time being attached to any class or classes of shares,-

(i) on a show of hands, every Member present in person shall have one vote; and

(ii) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up Equity Share Capital of the Company.

86. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and applicable SEBI Regulations and shall vote only once.

87. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register.

88. 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, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy.

89. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

90. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

91. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

92. Any member of the Company entitle to attend and vote at a meeting of the Company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf, provided that a proxy shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll.

93. 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 Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

94. An instrument appointing a proxy shall be in the form as prescribed in the Rules made under Section 105 of the Act.

95. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

96. The number of Directors on the Board shall not be less than three and not more than fifteen.

97. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) in addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them-

(a) in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company; or

(b) in connection with the business of the Company.

98. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

99. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

100. 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.

101. Subject to Section 149 and 152 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, subject to a minimum of 3 (three) Directors and maximum of fifteen Directors, and by a Special Resolution increase the number to more than fifteen Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified person 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. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days or for such number of days as may be notified by the Government from time to time in each Financial Year.

102. 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.

103. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the applicable SEBI Regulations. The Company shall have such number of Woman Director(s) on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

104. Subject to the provisions of the Act, all the Directors on the Board of the Company, other than Independent Directors, shall retire from office at the completion of the Annual General Meeting of the Company.

105. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

106. The remuneration payable to the Directors, including any managing or whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act and Rules made thereunder. The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration may be paid as fixed monthly remuneration and also as a commission based on profits.

107. Sitting fees, subject to ceiling as provided in the Act, may be paid to the Directors other than Managing Director, joint Managing Director and whole-time Director.

108. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

109. The Board may appoint an alternate Director to act for a Director (hereinafter in this Article called "the **Original Director**") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate Director for an Independent Directors unless he is qualified to be appointed as an Independent Director under the provisions of the Act and the SEBI Regulations. An alternate Director 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 the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate Director.

110. 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. The Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated

POWERS OF BOARD

111. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by the memorandum of association or otherwise authorized to exercise and do, and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in General Meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

PROCEEDINGS OF THE BOARD

112. (i) The Company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

(ii) Subject to the provisions of the Act, the Board shall meet at such place where the meetings of the Board are routinely held or a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the Chairperson of the Board.

(iii) A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

113. Subject to the provisions of the Act:

(i) any of the Directors may participate in a Board meeting, or a Committee thereof, by way of video conference or similar equipment designed to allow the Directors to participate equally and efficiently and to communicate concurrently with each other without an intermediary in the Board meeting; and

(ii) a Board meeting held in the above manner shall be valid so long as, the video conference or similar equipment employed enables all persons participating in that meeting to communicate concurrently with each other without any intermediary and a quorum in accordance with this Article is present. Directors who are not physically present at the meeting or who have not joined the meeting via such method of remote participation shall be entitled to join via teleconference or any other manner, if permitted by the Act and subject to the provisions of the Act. The place where the Chairperson of the meeting or the Company Secretary of the Company is sitting shall be taken as the place of the meeting.

114. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

115. Subject to these Articles and applicable Law, the Board shall be entitled to adopt circular resolutions in relation to such matters as it deems necessary and as permitted under the Act.

116. 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.

117. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. The Chairperson as may be appointed by the Board (other than the Chairperson voted / elected for a particular meeting only) would deemed to be Chairperson of the Company for all purposes.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

118. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(ii) 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.

119. (i) The Board may appoint Chairperson of any of the Committee of Board. In case the Board do not appoint as such, the Committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

120. (i) A Committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

121. 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.

122. 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.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

123. Subject to the provisions of the Act,-

(i) A chief executive officer, manager, Company Secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company Secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A Director may be appointed as chief executive officer, manager, Company Secretary or chief financial officer. In case no chief executive officer is appointed by the Company or the office of chief executive officer become vacant, the Managing Director or any of the whole time Directors (as the Board may determine), as the case may be deemed to be chief executive officer of the Company.

124. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a Director and chief executive officer, manager, Company Secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, Manager, Company Secretary or chief financial officer.

REGISTERS

125. The Company shall keep and maintain at its registered office the register including register of charges, register of members, register of Directors, annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name , register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and index of members/debenture holders/other security

holders and other registers (the "**Register**") as required to be kept and maintained under the Act, or Rules made thereunder, the Depositories Act and other applicable Laws, with the details of shares/debentures/other securities held in physical and dematerialized form in any medium as may be permitted by law including any form of electronic medium.

126. In accordance to the provisions of Section 94 of the Act, the registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a General Meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.

Provided further that the period for which the registers, returns and records are required to be kept shall be such as may be prescribed under the Act.

127. The Register and index of beneficial owner maintained by a Depository under Section 11 of the Depositories Act shall also be deemed to be the Register and index of members/debenture holders/other security holders for the purpose of the Act and any amendment or re-enactment thereof.

128. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

129. The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

THE SEAL

130. (i) The Board shall provide for the safe custody of the Seal.

(ii) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those two Directors and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVE

131. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

132. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

133. (i) 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, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

134. (i) 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.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

135. Where any capital is paid in advance of calls made by the Company, any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right on the member (who has paid such advance) to dividend subsequently declared or to participate in profits.

136. 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 of the Company.

137. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid 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 in The Register, or to such person and to such address as the holder or joint holders may in writing direct. The payment may also be made through electronic mode through banking channels or such other mode to the shareholder or its order as the law permits from time to time.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

138. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

139. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

140. No dividend shall bear interest against the Company.

141. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Shares held by him in the Company. However, the Shareholder cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on Share(s).

142. Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.

Any money transferred to the 'Unpaid Dividend Account' of a company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under Section 125 of the Act. [There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

143. All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

144. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.

RELATED PARTY TRANSACTIONS

145. Except with the consent of the Audit Committee, Board or the Shareholders, as may be required in terms of the provisions of Section 177 & 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a 'related party' with respect to:

(i) sale, purchase or supply of any goods or materials;
(ii) selling or otherwise disposing of, or buying, property of any kind;
(iii) leasing of property of any kind;
(iv) availing or rendering of any services;
(v) appointment of any agent for purchase or sale of goods, materials, services or property;
(vi) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
(vii) underwriting the subscription of any securities or derivatives thereof, of the Company:

146. No Shareholder of the Company shall vote on such Ordinary Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

147. Nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or to transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval.

148. 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.

149. The audit Committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable Law.

150. The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

151. The term 'related party' shall have the same meaning as may be prescribed to it under the Act.

152. The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

153. Subject to the Provision of Section 188 of Act, Non-executive Director of the Company may be eligible for fees with respect to the services provided by him in the professional capacity.

ACCOUNTS

154. Company shall prepare and keep at its 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 affairs of the Company, and that of its branch offices, and explain the transactions effected both at the registered office and its branch offices and such books shall be kept on accrual basis and according to double entry system of accounting. Books of accounts may also be maintained in electronic form.

155. The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

156. The Company shall preserve in good order the books of accounts relating to a period of not less than eight years preceding the current year together with vouchers relevant to entries in such books of accounts.

157. The books of account and books and papers of the Company, or any of them, shall be open for the inspection by Directors in accordance with the applicable provisions of the Act and the Rules.

158. No member (not being a Director) shall have any right of inspecting any books of account or books and papers or documents of the Company except as conferred by law or authorised by the Board.

AUDIT & AUDITORS

159. The appointment of Auditors including filing up of casual vacancies, qualifications, powers, rights, duties and remuneration of the Auditors shall be regulated by and in accordance with the Act and Rules made thereunder.

160. The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

161. An auditor can render such other services to the Company as permissible under the Act subject to the approval of Board or Audit Committee.

162. The remuneration of the auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an auditor appointed by the Board his remuneration shall be fixed by the Board.

SERVICE OF DOCUMENTS AND NOTICE

163. A document may be served on the Company or an officer by sending it to the Company or officer at Office of the Company by Registered Post, or by leaving it at the Office or by such other methods as may be permitted under law.

164. A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him or by electronic email.

165. All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.

166. Where a document is sent by post:

(i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the document or notices shall not be deemed to be effected unless it is sent in the manner intimated by the member, and

(ii) Unless the contrary is provided, such service shall be deemed to have been effected.

167. In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and

168. In any other case, at the time at which the letter would be delivered in ordinary course of post.

169. Where a document or notice is sent by electronic mail, the document or notice shall be deemed to have been delivered upon an electronic mail containing the document or notice being sent to the email address provided to the Company by the member.

170. Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

171. If a member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

172. A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

173. The Company charge a fee of Rs. 100/- (Rupees one hundred only) or such higher amount as may be estimated actual expenses for delivery of any document through a particular mode as may be requested by any of the members pursuant to the provisions of section 20(2) of the Act.

174. Subject to the provisions of the Act, applicable SEBI Regulations and these Articles, notice of General Meeting shall be given:
(i) To the members of the Company as provided in the article.
(ii) To the persons entitled to a share in consequence of the death or insolvency of a member.
(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any member or members of the Company.

175. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by the articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

176. Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derived his title to such share.

177. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Secretary (if any) or Officer as the Board may appoint or authorize. The signature to any notice to be given by the Company may be written or printed or lithographed.

WINDING UP

178. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended (to the extent applicable).

COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS

179. The Company shall subject to the payment of the fee prescribed under Section 17 of the Act, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being.
(a) The Memorandum,
(b) The Articles, and
(c) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Act, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.

SECRECY

180. Subject to the provisions of law and the Act, every Manager, auditor trustee, member of a Committee, officer servant, agent accountant or other persons employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals 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 to do so by the Directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles.

INDEMNITY

181. Subject to the provisions of the Act, every Director, Managing Director, Whole-time Director, Manager, Company Secretary and other officer or employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which any such Director, Manager, Company Secretary and officer or employee may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Manager, Company Secretary or officer or employee or in any way in the discharge of his duties in such capacity including expenses.

182. Subject as aforesaid, every Director, Managing Director, Manager, Company Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

183. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and 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 and reasonably.

GENERAL POWERS AND RESPONSIBILITY FOR THE ACT OF OTHERS

184. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

185. Board of Directors of the Company shall be authorised to take any action in the interest of Company irrespective of the fact that any specific provision in these regulations is not contained in that regard, provided such action is otherwise permitted under the Act. Such action, if permitted under the Act, shall be deemed that they are taken in pursuance of regulations made under these articles.

186. Members of the Company by passing necessary resolution in their meeting may waive any condition imposed under these regulations for transaction of any business by the Company or by the Board of Directors. After such waiver, the transaction shall be deemed to be carried as it was permitted and carried by exercising power and authority under these regulations.

187. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, the Manager, the Secretary or an authorized officer of the Company and need not be under its seal.

188. Subject to the provisions of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

189. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

MISCELLANEOUS

190. Subject to the provisions of these Articles and the Act no member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or the Managing Director or to require

discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Director sit will be inexpedient in the interests of the Company to communicate.

191. If any dispute, controversy or claim between the parties arises out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles such dispute shall be referred to binding Arbitration and determined in accordance with the Arbitration & Conciliation Act, 1996 and Rules made thereunder. Any Arbitral Award shall be final and binding on the parties and the parties waive irrevocably any rights to any form or appeal, review or recourse to any stage or other judicial authority in so far as such waiver may validly be made. The venue for Arbitration shall be Kolkata and language for the proceedings shall be English.

192. Any dispute, controversy or claim between the parties arising out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles shall be construed in accordance with applicable Laws of India. The jurisdiction for any dispute arising under Articles of Company shall be only at Kolkata.

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 or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the documents and contracts 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 (except for such agreements executed after the Bid/Offer Closing Date). Copies of the documents for inspection referred to hereunder, will also be available on the website of the Company from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated January 4, 2023, between our Company, the Selling Shareholders and the BRLMs;

2. Registrar Agreement dated January 4, 2023, amongst our Company, the Selling Shareholders and the Registrar to the Offer;

3. Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Selling Shareholders and the Banker(s) to the Offer;

4. Share Escrow Agreement dated [●] entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent.

5. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer;

6. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters; and

7. Monitoring agency agreement dated [●] amongst our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time;

2. Certificate of incorporation issued by the RoC dated June 28, 2001;

3. Fresh Certificate of incorporation issued by the RoC dated May 24, 2022, pursuant to conversion into public limited company;

4. Resolution of the Board of Directors dated September 27, 2022 authorising the Offer and other related matters;

5. Resolution of the Shareholders dated September 28, 2022 in relation to this Offer, including authorizing the Fresh Issue and other related matters;

6. Resolution of the Board dated January 4, 2023 approving the DRHP;

7. Examination report dated November 17, 2022, of our Statutory Auditors on our Restated Consolidated

Financial Information, included in this Draft Red Herring Prospectus along with Restated Consolidated Financial Information;

8. Copies of the annual reports of the Company for the Fiscals 2022, 2021 and 2020;

9. The statement of special tax benefits dated December 22, 2022 issued by our Statutory Auditors;

10. In principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively;

11. Consent of the Directors, the BRLMs, the Syndicate Members, the Legal Counsel to our Company, Legal Counsel to the BRLMs as to Indian Law, the Registrar to the Offer, the Escrow Collection Bank(s), Refund Banks(s), Sponsor Bank, Public Offer Account Bank, the Bankers to our Company, the Company Secretary and Compliance Officer, the Monitoring Agency and the Chief Financial Officer, to act in their respective capacities;

12. Certificate on KPIs issued by our Statutory Auditors namely, S. Jaykishan, Chartered Accountants dated January 4, 2023.

13. Written consent dated January 4, 2023 of our Statutory Auditors namely, S. Jaykishan, Chartered Accountants, holding a valid peer review certificate from ICAI to include their name as "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their examination report dated November 17, 2022, on our Restated Consolidated Financial Information and on the statement of special tax benefits dated December 22, 2022 included in this Draft Red Herring Prospectus;

14. Written consent dated January 4, 2023, from Ramesh Verma & Co., 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 the Independent Chartered Accountant in respect of information certified by them, as included in this Draft Red Herring Prospectus;

15. Written consent dated November 15, 2022, from Jayam Consultants Private Limited, Independent Chartered Engineer, to include its 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 its capacity as an Independent Chartered Engineer in respect of information certified by it, as included in this Draft Red Herring Prospectus;

16. Industry report titled "*Report on Zinc Oxide Industry*" dated December 2022, prepared and issued by CARE Advisory Research & Training Limited, pursuant to an engagement letter dated May 4, 2022, entered into with our Company;

17. Written consent from CARE dated January 3, 2023, to include contents or any part thereof from their report titled "*Report on Zinc Oxide Industry*" dated December 2022 in this Draft Red Herring Prospectus;

18. Consent letters and authorisations from the Selling Shareholders, authorising their participation in the Offer. For further details, please see section titled "*Other Regulatory and Statutory Disclosures*" on page 335;

19. Tripartite agreement dated June 20, 2022, between our Company, NSDL and the Registrar to the Offer;

20. Tripartite agreement dated June 20, 2022 between our Company, CDSL and the Registrar to the Offer;

21. Exemption application dated June 22, 2022, filed with SEBI under Regulation 300(1) of the SEBI ICDR Regulations, from classifying (i) Sushil Kumar Jhunjhunwala; (ii) Ramesh Jhunjhunwala; (iii) Dinesh Jhunjhunwala; (iv) Rakesh Jhunjhunwala; (v) Pradeep Jhunjhunwala and (vi) Raj Kumari Agarwal ("**Relevant Persons**"), their connected entities and transacting entities, as members of our Promoter Group and including relevant disclosures, confirmations and undertakings in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in relation to the same.

22. Letter dated December 21, 2022, bearing reference number SEBI/ERO/P/OW/2022/63138/1 issued by

SEBI granting the exemption sought by our Company by way of the exemption application dated June 22, 2022.

23. Due diligence certificate dated January 4, 2023, addressed to the SEBI from the BRLMs; and

24. SEBI final observation letter bearing reference number [●] and dated [●]

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Suresh Jhunjhunwala
Executive Chairman and Whole-time Director

Place: Kolkata
Date: 04/01/2023.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anirudh Jhunjhunwala
Managing Director and Chief Executive Officer

Place: Kolkata
Date: 04/01/2023.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anuj Jhunjhunwala
Whole-time Director

Place: Kolkata
Date: 04/01/2023.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashok Bhandari
Independent Director

Place: Kolkata
Date: 04/01/2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sukanta Nag
Independent Director

Place: Kolkata
Date: 04/01/2023.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Savita Agarwal

Savita Agarwal
Independent Director

Place: Kolkata
Date: 04/01/2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Anuj Jhunjhunwala
Chief Financial Officer

Place: Kolkata
Date: 04/01/2023.

DECLARATION

We, Vision Projects & Finvest Private Limited, hereby confirm and certify that all statements, disclosures, and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the Equity Shares being offered by us in the Offer for Sale, are true and correct. We, assume no responsibility as Selling Shareholder for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus

SIGNED BY ON BEHALF OF VISION PROJECTS & FINVEST PRIVATE LIMITED

Name: Anirudh Jhunjhunwala
Designation: Director

Place: Kolkata
Date: 04/01/2023.

DECLARATION

We, Jayanti Commercial Limited, hereby confirm and certify that all statements, disclosures, and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as a Selling Shareholder and the Equity Shares being offered by us in the Offer for Sale, are true and correct. We, assume no responsibility as Selling Shareholder for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus

SIGNED BY ON BEHALF OF JAYANTI COMMERCIAL LIMITED

Shilpa Jhunjhunwala

Name: Shilpa Jhunjhunwala

Designation: Managing Director

Place: Kolkata

Date: 04/01/2023

DECLARATION

I, Suresh Jhunjhunwala, Karta of Suresh Kumar Jhunjhunwala (HUF), hereby confirm and certify that all statements, disclosures, and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to Suresh Kumar Jhunjhunwala (HUF), as one of the Selling Shareholder and proportion to the Equity Shares being offered by us in the Offer for Sale, are true and correct. I, assume no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY ON BEHALF OF SURESH KUMAR JHUNJHUNWALA (HUF)

Name: Suresh Jhunjhunwala
Designation: Karta

Place: Kolkata
Date: 04/01/2023.

DECLARATION

I, Anirudh Jhunjhunwala, Karta of Anirudh Jhunjhunwala (HUF), hereby confirm and certify that all statements, disclosures, and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to Anirudh Jhunjhunwala (HUF), as one of the Selling Shareholder and proportion to the Equity Shares being offered by us in the Offer for Sale, are true and correct. I, assume no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY ON BEHALF OF ANIRUDH JHUNJHUNWALA (HUF)

Name: Anirudh Jhunjhunwala
Designation: Karta

Place: Kolkata
Date: 04/01/2023.