



JESONS INDUSTRIES LIMITED

Jesons Industries Limited ("Company" or "Issuer") was incorporated as a public limited company under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated October 12, 1999, issued by the Registrar of Companies, Maharashtra, at Mumbai ("RoC"), and subsequently received a certificate for commencement of business from the RoC dated December 27, 1999. For details in relation to change in the address of the registered office of our Company, see "History and Certain Corporate Matters" on page 158.

Registered and Corporate Office: 904, Peninsula Tower 1, Ganpat Rao Kadam Marg, Lower Parel West, Mumbai - 400013, Maharashtra; Tel: + (91) 22 6651 5253

Contact Person: Kushal Vasantbhai Gala, Company Secretary and Compliance Officer; Tel: + 91 22 6651 5288

E-mail: cs@jesons.net; Website: www.jesons.net; Corporate Identity Number: U24295MH1999PL122193

OUR PROMOTER: DHIRESH SHASHIKANT GOSALIA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●]* PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,200 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 12,157,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DHIRESH SHASHIKANT GOSALIA (THE "PROMOTER SELLING SHAREHOLDER" AND SUCH OFFER, THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO 77,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE EMPLOYEE RESERVATION PORTION SHALL NOT EXCEED 5% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●]% AND [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES THROUGH A PREFERENTIAL ISSUE OR ANY OTHER METHOD AS MAY BE PERMITTED IN ACCORDANCE WITH APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹ 240 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE NET OFFER COMPLYING WITH THE MINIMUM OFFER SIZE REQUIREMENTS PRESCRIBED UNDER REGULATION 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"). THE PRE-IPO PLACEMENT SHALL NOT EXCEED 20% OF THE FRESH ISSUE.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 5 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, THE RUPEE AMOUNT OR DISCOUNT, IF ANY TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●] A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●] A MARATHI NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE 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 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

*A discount of up to [●]% on the Offer Price may be offered to the Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount") equivalent to ₹ [●] per Equity Share.

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 in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid / Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, 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 Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

This is an Offer in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. 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 Qualified Institutional Buyers ("QIBs and such portion, the "QIB Portion"), provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"), out of which one-third shall be reserved for domestic Mutual Funds 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 QIB Portion (excluding the Anchor Investor Portion) ("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 from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBS") or by the Sponsor Bank under the UPI Mechanism, as the case may be, 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, see "Offer Procedure" on page 307.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 5 each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 87), 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 or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 25.

OUR COMPANY'S AND PROMOTER SELLING SHAREHOLDER' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility for, and confirms, that the statements made or confirmed by him in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to him and the Equity Shares offered by him under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid / Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 359.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

| | | |
|--|--|--|
| | | |
| <p>JM Financial Limited 7th Floor, Chenergy Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: (+91 22) 6630 3030; (+91 22) 6630 3262 Fax: (+91 22) 6630 3330 Email: jesons.ipo@jmf.com Investor Grievance Email: grievance.ibd@jmf.com Website: www.jmf.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361</p> | <p>Axis Capital Limited 1st floor, Axis House C-2 Wadia International Centre, P.B. Marg, Worli Mumbai 400 025, Maharashtra, India Tel: +91 22 4325 2183 E-mail: jesons.ipo@axiscap.in Investor Grievance ID: complaint@axiscap.in Website: www.axiscapital.co.in Contact Person: Pratik Pednekar SEBI Registration No.: INM000012029</p> | <p>Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Telephone: +91 22 4918 6200 E-mail: jesons.ipo@linkintime.co.in Investor grievance E-mail: jesons.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058</p> |

BID/OFFER PROGRAMME

BID/OFFER OPENS ON

[●]

BID/OFFER CLOSES ON

[●]**

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

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

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TABLE OF CONTENTS

| | |
|---|------------|
| SECTION I – GENERAL | 1 |
| DEFINITIONS AND ABBREVIATIONS | 1 |
| CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA | 13 |
| FORWARD LOOKING STATEMENTS | 16 |
| SUMMARY OF THE OFFER DOCUMENT | 18 |
| SECTION II – RISK FACTORS | 25 |
| SECTION III – INTRODUCTION | 53 |
| THE OFFER | 53 |
| SUMMARY OF FINANCIAL INFORMATION | 55 |
| GENERAL INFORMATION..... | 60 |
| CAPITAL STRUCTURE | 68 |
| OBJECTS OF THE OFFER | 78 |
| BASIS FOR OFFER PRICE..... | 87 |
| STATEMENT OF SPECIAL TAX BENEFITS..... | 90 |
| SECTION IV – ABOUT OUR COMPANY | 99 |
| INDUSTRY OVERVIEW | 99 |
| OUR BUSINESS | 131 |
| KEY REGULATIONS AND POLICIES | 154 |
| HISTORY AND CERTAIN CORPORATE MATTERS | 158 |
| OUR SUBSIDIARIES AND ASSOCIATE COMPANY..... | 163 |
| OUR MANAGEMENT | 165 |
| OUR PROMOTER AND PROMOTER GROUP | 177 |
| OUR GROUP COMPANY | 179 |
| DIVIDEND POLICY | 181 |
| SECTION V – FINANCIAL INFORMATION | 182 |
| FINANCIAL STATEMENTS..... | 182 |
| OTHER FINANCIAL INFORMATION..... | 234 |
| RELATED PARTY TRANSACTIONS..... | 236 |
| MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 237 |
| CAPITALISATION STATEMENT | 266 |
| FINANCIAL INDEBTEDNESS | 267 |
| SECTION VI – LEGAL AND OTHER INFORMATION | 270 |
| OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS | 270 |
| GOVERNMENT AND OTHER APPROVALS | 277 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES | 287 |
| SECTION VII – OFFER INFORMATION | 298 |
| TERMS OF THE OFFER..... | 298 |
| OFFER STRUCTURE..... | 304 |
| OFFER PROCEDURE | 307 |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES | 324 |
| SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION | 325 |
| SECTION IX – OTHER INFORMATION | 359 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION | 359 |
| DECLARATION | 361 |

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

Notwithstanding the foregoing, terms in “Industry Overview”, Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Financial Information”, “Basis for the Offer Price”, “Outstanding Litigation and Other Material Developments”, “Restriction on Foreign Ownership of Indian Securities” and “Description of Equity Shares and Terms of Articles of Association”, on pages 99, 154, 90, 182, 87, 270, 324 and 325, respectively, will have the meaning ascribed to such terms in those respective sections.

Company and Promoter Selling Shareholder related terms

| Term | Description |
|--|--|
| “our Company”, “the Company” or “the Issuer” | Jesons Industries Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at 904, Peninsula Tower 1, Ganpat Rao Kadam Marg, Lower Parel West, Mumbai - 400013, Maharashtra, India |
| “we”, “us”, “our” or “Group” | Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries and our Associate Company |
| “Articles” or “Articles of Association” or “AoA” | The articles of association of our Company, as amended |
| “Audit Committee” | The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in “ <i>Our Management</i> ” on page 165 |
| “Associate Company” | The associate of our Company, being Dura – Jesons LLC |
| “Board” or “Board of Directors” | The board of directors of our Company, as constituted from time to time |
| “Chief Financial Officer” | The chief financial officer of our Company, being Deepak Ladha |
| “Company Secretary and Compliance Officer” | Company secretary and compliance officer of our Company, being Kushal Vasantbhai Gala |
| “Corporate Social Responsibility Committee” | The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in “ <i>Our Management</i> ” on page 165 |
| “Director(s)” | Director(s) on the Board of our Company, as appointed from time to time |
| “Equity Shares” | Equity shares of our Company of face value of ₹5 each |
| “ESOP 2021” | Employee Stock Option Scheme 2021 |
| “Executive Directors” | Executive director(s) of our Company. For further details of the Executive Directors, see “ <i>Our Management</i> ” on page 165 |
| “Frost & Sullivan” | Frost & Sullivan (India) Private Limited |
| “F&S Report” | Report titled “ <i>Independent Market Report - Global Adhesives and Emulsions Market</i> ” dated November 17, 2021 (which is a paid report and commissioned by us in connection with the Offer) prepared and issued by Frost & Sullivan who was appointed by our Company pursuant to an engagement letter dated August 5, 2021 |
| “Group Company” | Our group company as disclosed in the section “ <i>Group Company</i> ” on page 179 |
| “IPO Committee” | The IPO committee of our Board constituted <i>vide</i> resolution of the Board dated October 19, 2021 |
| “Independent Director” | A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see “ <i>Our Management</i> ” on page 165 |
| “KMP” or “Key Managerial Personnel” | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as disclosed in “ <i>Our Management</i> ” on page 165 |
| “Managing Director” | The managing director of our Company, being Dhires Shashikant Gosalia |
| “Material Subsidiary” | The material subsidiary of our Company, being Jesons Techno Polymers LLP |

| Term | Description |
|---|---|
| “Materiality Policy” | The materiality policy of our Company adopted pursuant to a resolution of our Board dated October 19, 2021 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 Prospectus |
| “Memorandum” or “Memorandum of Association” or “MoA” | The memorandum of association of our Company, as amended |
| “Nomination and Remuneration Committee” | The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in “ <i>Our Management</i> ” on page 165 |
| “Non – executive Director(s)” | A Director, not being an Executive Director |
| “Promoter” | Promoter of our Company namely, Dhires Shashikant Gosalia. For further details, see “ <i>Our Promoter and Promoter Group</i> ” on page 177 |
| “Promoter Selling Shareholder” or “Selling Shareholder” | The selling shareholder of our Company and also our Promoter, namely, Dhires Shashikant Gosalia. |
| “Promoter Group” | Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations. For further details, see “ <i>Our Promoter and Promoter Group</i> ” on page 177 |
| “Registered and Corporate Office” | The registered and corporate office of our Company situated at 904, Peninsula Tower 1, Ganpat Rao Kadam Marg, Lower Parel West, Mumbai - 400013, Maharashtra, India. |
| “Registrar of Companies” or “RoC” | Registrar of Companies, Maharashtra at Mumbai |
| “Restated Consolidated Summary Statements” | The Restated Consolidated Summary Statements of Jesons Industries Limited, its subsidiaries (together referred to as the “ Group ”) and its associate which comprises of the Restated Consolidated Summary Statement of Assets and Liabilities as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Summary Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for the three months period ended June 30, 2021 and each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Significant Accounting Policies and explanatory notes to Restated Consolidated Summary Statements, as approved by the Board of Directors of the Company and are prepared as per the requirements of Section 26(1) of Part I of Chapter III of the Companies Act, 2013, relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on Reports in Company’s Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. |
| “Subsidiaries” | The subsidiaries of our Company being, Jesons Innovative Polymers Private Limited and Jesons Techno Polymers LLP. For further details, see “ <i>Our Subsidiaries and Associate Company</i> ” on page 163 |
| “Shareholder(s)” | The holders of the Equity Shares from time to time |
| “Stakeholders’ Relationship Committee” | The stakeholders’ relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in “ <i>Our Management</i> ” on page 165 |
| “Statutory Auditor” | The statutory auditor of our Company, being M S K A & Associates, Chartered Accountants |

Offer Related Terms

| Term | Description |
|------------------------------------|---|
| “Abridged Prospectus” | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf |
| “Acknowledgement Slip” | The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form |
| “Allotment”, “Allot” or “Allotted” | Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares offered by the Promoter Selling Shareholder pursuant to the Offer for Sale to the successful Bidders |
| “Allotment Advice” | A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange |

| Term | Description |
|--|---|
| “Allottee” | A successful Bidder to whom the Equity Shares are Allotted |
| “Anchor Investor” | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million |
| “Anchor Investor Allocation Price” | The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs |
| “Anchor Investor Application Form” | Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| “Anchor Investor Bidding Date” | The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed |
| “Anchor Investor Offer Price” | The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs |
| “Anchor Investor Pay – in Date” | With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date |
| “Anchor Investor Portion” | Up to 60% of the QIB Portion, which may be allocated by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations |
| “Applications Supported by Blocked Amount” or “ASBA” | An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism |
| “ASBA Account” | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an RIB linked to a UPI ID, which will be blocked in relation to a Bid by a RIB Bidding through the UPI Mechanism |
| “ASBA Bidders” | All Bidders except Anchor Investors |
| “ASBA Form” | An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| “Banker(s) to the Offer” | Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank, 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 “Offer Procedure” on page 307 |
| “Bid” | An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of an Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “Bidding” shall be construed accordingly |
| “Bidder” | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor |
| “Bid Amount” | The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable |
| “Bidding Centres” | Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |

| Term | Description |
|---|--|
| “Bid cum Application Form” | Anchor Investor Application Form or the ASBA Form, as the context requires |
| “Bid Lot” | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| “Bid/Offer Closing Date” | <p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions [●] of an English daily national newspaper, [●] editions of [●] a Hindi national daily newspaper [●] and [●] edition of a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation</p> <p>In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations.</p> <p>Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations</p> |
| “Bid/Offer Opening Date” | Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being [●], which shall also be published in [●] editions of English national daily newspaper [●], [●] editions of Hindi national daily newspaper [●] and Mumbai edition of Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) |
| “Bid/Offer Period” | <p>Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise of Working Days only</p> |
| “Book Building Process” | The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| “Book Running Lead Managers” or “BRLMs” | The book running lead managers to the Offer, namely JM Financial Limited and Axis Capital Limited |
| “Broker Centre” | Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time |
| “CAN” or “Confirmation of Allocation Note” | The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date |
| “Cap Price” | The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted |
| “Cash Escrow and Sponsor Bank Agreement” | The agreement to be entered into between our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Banker(s) to the Offer, <i>inter alia</i> , for the appointment of the Sponsor Bank in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof |
| “Circular on Streamlining of Public Issues”/ “UPI Circular” | Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. |

| Term | Description |
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| | (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021./2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard |
| “Client ID” | Client identification number maintained with one of the Depositories in relation to the Bidder’s beneficiary account |
| “Collecting Depository Participant” or “CDP” | A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time |
| “Cut-off Price” | The Offer Price, as finalised by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price |
| “Demographic Details” | Details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable |
| “Designated Branches” | SCSB Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time |
| “Designated Locations” | CDP Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| “Designated Date” | The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer 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 or IPO Committee may Allot Equity Shares to successful Bidders in the Offer |
| “Designated Intermediaries” | In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs |
| “Designated Locations” | RTA Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time |
| “Designated Exchange” | Stock [●] |
| “Draft Red Herring Prospectus” or “DRHP” | This draft red herring prospectus dated November 19, 2021, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer, and includes any addenda or corrigenda thereto |
| “Eligible Employee” | (i) a permanent employee of our Company and/ or Subsidiaries working in India or out of India; or (ii) a director of our Company and/ or Subsidiaries, whether wholtime or not, as on the date of the filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company or any of our Subsidiaries or be our Director(s), as the case may be until the submission of the Bid cum Application Form, but excludes: (a) an employee who is the |

| Term | Description |
|---|--|
| | <p>Promoter or belongs to the Promoter Group; (b) a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of outstanding Equity Shares of our Company; and (c) an independent director. It is clarified that Eligible Employees shall only mean those employees who are employees and are present in India as on the date of the Red Herring Prospectus.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion will be available for allocation and Allotment, proportionately to Eligible Employees Bidding in the Employee Reservation Portion who have Bid in excess of ₹200,000, subject to maximum value of Allotment to such Eligible Employee not exceeding ₹500,000</p> |
| “Eligible FPIs” | FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby |
| “Eligible NRIs” | NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares |
| “Employee Discount” | Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may offer a discount of up to [●]% of the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date |
| “Employee Reservation Portion” | The portion of the Offer being up to 77,000 Equity Shares aggregating up to ₹[●] million, available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer equity share capital of our Company |
| “Escrow Account(s)” | Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid |
| “Escrow Collection Bank(s)” | The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●] |
| “First Bidder” | The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| “Floor Price” | The lower end of the Price Band, i.e. ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted |
| “Fresh Issue” | The fresh issue component of the Offer comprising of an issuance of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹1,200 million by our Company |
| “General Information Document” or “GID” | The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs |
| “Gross Proceeds” | The Offer proceeds from the Fresh Issue |
| “June 2021 Circular” | SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 |
| “March 2021 Circular” | SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 |
| “Monitoring Agency” | [●] |
| “Monitoring Agency Agreement” | The agreement to be entered into between our Company and the Monitoring Agency |
| “Mutual Fund” | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| “Mutual Fund Portion” | Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| “Net Offer” | The Offer less the Employee Reservation Portion |
| “Net Proceeds” | The Gross Proceeds less our Company’s share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see “Objects of the Offer” on page 78 |

| Term | Description |
|--|---|
| “Net QIB Portion” | QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors |
| “Non-Institutional Investors” or “NII(s)” or “Non-Institutional Bidders” or “NIB(s)” | All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |
| “Non-Institutional Portion” | The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| “Non-Resident” or “NR” | A person resident outside India, as defined under FEMA |
| “Offer” | Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 1,200 million by our Company and an offer for sale of up to 12,157,000 Equity Shares aggregating up to ₹ [●] million, by the Promoter Selling Shareholder. The Offer comprises the Net Offer and the Employee Reservation Portion. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Net Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue |
| “Offer Agreement” | The agreement dated November 19, 2021 amongst our Company, the Promoter Selling Shareholder 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” | The offer for sale of up to 12,157,000 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholder |
| “Offer Price” | ₹ [●] per Equity Share, being the final price within the Price Band, at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus |
| “Offered Shares” | Up to 12,157,000 Equity Shares being offered by Promoter Selling Shareholder as part of the Offer for Sale |
| “Pre – IPO Placement” | A further issue of specified securities, through a preferential offer or any other method as may be permitted in accordance with applicable law, aggregating up to ₹ 240 million, which may be undertaken by our Company, in consultation with the BRLMs, prior to the filing of the Red Herring Prospectus with the RoC |
| “Price Band” | Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and will be advertised in [●] editions of [●] an English national daily newspaper, [●] editions of [●] a Hindi national daily newspaper [●] and [●] edition of [●] a Marathi newspaper (each of which are widely circulated English, Hindi and Marathi newspapers, respectively, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites |
| “Pricing Date” | The date on which our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price |
| “Prospectus” | The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, 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(s)” | The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened 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 to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date |

| Term | Description |
|--|---|
| “QIB Portion” | The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price |
| “Qualified Institutional Buyers” or “QIBs” | A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| “Red Herring Prospectus” or “RHP” | The red herring prospectus, including any corrigenda or addenda thereto, to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| “Refund Account(s)” | The ‘no-lien’ and ‘non-interest bearing’ account to be 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 Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●] |
| “Registered Broker” | Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI |
| “Registrar Agreement” | The agreement dated November 18, 2021 entered amongst our Company, the Promoter Selling Shareholder 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” | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars |
| “Registrar”, or “Registrar to the Offer” | Link Intime India Private Limited |
| “Resident Indian” | A person resident in India, as defined under FEMA |
| “Retail Individual Bidders” or “RIB(s)” or “Retail Individual Investors” or “RII(s)” | Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer |
| “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, subject to valid Bids being received at or above the Offer Price |
| “Revision Form” | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), 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 Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date |
| “Self Certified Syndicate Bank(s)” or “SCSB(s)” | The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 , or such other website as may be prescribed by SEBI from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure ‘A’ to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , as updated from time to time |

| Term | Description |
|---|---|
| “Specified Locations” | The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time |
| “Share Escrow Agent” | Escrow agent to be appointed pursuant to the Share Escrow Agreement |
| “Share Escrow Agreement” | The agreement to be entered into amongst our Company, the Promoter Selling Shareholder, and the Share Escrow Agent for deposit of the Equity Shares offered by the Promoter Selling Shareholder in escrow and credit of such Equity Shares to the demat account of the Allottees. |
| “Sponsor Bank” | The Banker to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●] |
| “Stock Exchanges” | Collectively, BSE Limited and National Stock Exchange of India Limited |
| “Syndicate Agreement” | Agreement to be entered into among our Company, the Promoter Selling Shareholder, the BRLMs, and the Syndicate Members in relation to collection of Bid cum Application Forms by 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 and carry out activities as an underwriter namely, [●] |
| “Syndicate” or “members of the Syndicate” | Together, the BRLMs and the Syndicate Members |
| “Systemically Important Non-Banking Financial Company” or “NBFC-SI” | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| “Underwriters” | [●] |
| “Underwriting Agreement” | The agreement to be entered into amongst the Underwriters, the Promoter Selling Shareholder and our Company on or after the Pricing Date, but prior to filing of the Prospectus |
| “UPI” | Unified Payments Interface, which is an instant payment mechanism developed by NPCI |
| “UPI ID” | ID 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 linked mobile application as disclosed by the SCSBs on the website of SEBI and by way of an SMS directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI linked mobile 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, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=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 |
| “Wilful Defaulter” | A wilful defaulter, as defined under the SEBI ICDR Regulations |
| “Working Day” | All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all 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 Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI. |

Technical/Industry Related Terms/Abbreviations

| Term | Description |
|-------------|---|
| “CAGR” | Compounded Annual Growth Rate (as a %): $(\text{End Year Value} / \text{Base Year Value})^{(1/\text{No. of years between Base year and End year})} - 1$ (^ denotes ‘raised to’) |

| Term | Description |
|-------------------------|---|
| “Capital Employed” | Capital employed is calculated as total assets less current liabilities |
| “EBIT” | Earnings before interest, tax calculated as restated profit after tax for the year, plus total tax expenses and finance cost |
| “EBITDA” | Earnings before interest, taxes, depreciation and amortization expenses calculated as restated profit after tax for the year, plus total tax expense, exceptional items, finance costs and depreciation and amortization expenses |
| “EBITDA Margin” | EBITDA as a percentage of revenue from operations |
| “Fixed Assets Turnover” | Revenue from operation net of trading sales, divided by average written down value of fixed assets, excluding capital work in progress. |
| “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 accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets write back of depreciation and amalgamation |
| “NWC” | Net working capital calculated as total current assets less total current liabilities |
| “PAT” | Profit after tax for the period |
| “PAT Margin” | Profit after tax for the period as a percentage of revenue from operations |
| “PSA” | Water based pressure sensitive adhesives |
| “R&D” | Research and development |
| “ROA” | Return on asset calculated as Profit for the year/ period minus share of net loss of associate accounted using equity method divided by average total assets |
| “ROCE” | Return on capital employed calculated as EBIT divided by net capital employed |
| “ROE” | Return on equity calculated as total comprehensive income divided by average equity |
| “RONW” | Return on net worth calculated as PAT attributable to owners of the Company divided by Net Worth |
| “SCE” | Specialty coating emulsions |

Conventional and General Terms or Abbreviations

| Term | Description |
|---|---|
| “₹” or “Rs.” or “Rupees” or “INR” | Indian Rupees |
| “AIFs” | Alternative investment funds as defined in and registered under the AIF Regulations |
| “AS” | Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time |
| “BSE” | BSE Limited |
| “BTI Regulations” | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 |
| “CAGR” | Compounded Annual Growth Rate |
| “Calendar Year” or “year” | Unless the context otherwise requires, shall refer to the twelve month period ending December 31 |
| “Category I AIF” | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations |
| “Category II AIF” | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations |
| “Category I FPIs” | FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations |
| “Category II FPIs” | FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations |
| “Category III AIF” | AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations |
| “CCI” | Competition Commission of India |
| “CDSL” | Central Depository Services (India) Limited |
| “Companies Act, 1956” | <i>Erstwhile</i> Companies Act, 1956 along with the relevant rules made thereunder |
| “Companies Act” / “Companies Act, 2013” | Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended and to the extent currently in force |
| “COVID – 19” | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| “Cr.P.C.” | Code of Criminal Procedure, 1973 |
| “CSR” | Corporate social responsibility |
| “Demat” | Dematerialised |
| “Depositories Act” | Depositories Act, 1996 |

| Term | Description |
|---|---|
| “Depository” or “Depositories” | NSDL and CDSL |
| “DIN” | Director Identification Number |
| “DP” or “Depository Participant” | A depository participant as defined under the Depositories Act |
| “DP ID” | Depository Participant’s Identification Number |
| “EPS” | Earnings per share |
| “FDI” | Foreign direct investment |
| “FDI Policy” | The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (<i>earlier known as the Department of Industrial Policy and Promotion</i>) |
| “FEMA” | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder |
| “FEMA Rules” | Foreign Exchange Management (Non-debt Instruments) Rules, 2019. |
| “Financial Year”, “Fiscal”, “FY” or “F.Y.” | Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise |
| “FIR” | First information report |
| “FPI(s)” | Foreign Portfolio Investor, as defined under the FPI Regulations |
| “FPI Regulations” | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| “FIPB” | The erstwhile Foreign Investment Promotion Board |
| “Fugitive Economic Offender” | A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018 |
| “FVCI” | Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations |
| “FVCI Regulations” | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 |
| “GDP” | Gross domestic product |
| “GoI” or “Government” or “Central Government” | Government of India |
| “GST” | Goods and services tax |
| “HUF” | Hindu undivided family |
| “IAS Rules” | Companies (Indian Accounting Standards) Rules, 2015, as amended |
| “ICAI” | The Institute of Chartered Accountants of India |
| “ICSI” | The Institute of Company Secretaries of India |
| “ICWAI” | The Institute of Cost & Works Accountants of India |
| “ICDS” | Income Computation and Disclosure Standards |
| “IFRS” | International Financial Reporting Standards of the International Accounting Standards Board |
| “India” | Republic of India |
| “Ind AS” or “Indian Accounting Standards” | Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules |
| “IGAAP” or “Indian GAAP” | Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended |
| “IPC” | The Indian Penal Code, 1860 |
| “IPR” | Intellectual property rights |
| “IPO” | Initial public offer |
| “IST” | Indian standard time |
| “IT Act” | The Income Tax Act, 1961 |
| “IT” | Information technology |
| “Listing Agreement” | The equity listing agreement to be entered into by our Company with each of the Stock Exchanges |
| “MCA” | Ministry of Corporate Affairs, Government of India |
| “Mn” or “mn” | Million |
| “N.A.” | Not applicable |
| “NACH” | National Automated Clearing House |
| “NAV” | Net asset value |
| “NBFC” | Non-Banking Financial Company |
| “NEFT” | National electronic fund transfer |
| “NPCI” | National Payments Corporation of India |
| “NRE Account” | Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016 |

| Term | Description |
|---|--|
| “NRI” or “Non-Resident Indian” | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955 |
| “NRO Account” | Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016 |
| “NSDL” | National Securities Depository Limited |
| “NSE” | National Stock Exchange of India Limited |
| “OCB” or “Overseas Corporate Body” | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer |
| “P/E Ratio” | Price/earnings ratio |
| “PAN” | Permanent account number allotted under the Income Tax Act, 1961 |
| “RBI” | Reserve Bank of India |
| “Regulation S” | Regulation S under the U.S. Securities Act |
| “RTGS” | Real time gross settlement |
| “SCRA” | Securities Contracts (Regulation) Act, 1956 |
| “SCRR” | Securities Contracts (Regulation) Rules, 1957 |
| “SEBI” | Securities and Exchange Board of India constituted under the SEBI Act |
| “SEBI Act” | Securities and Exchange Board of India Act, 1992 |
| “SEBI AIF Regulations” | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| “SEBI ICDR Regulations” | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| “SEBI Insider Trading Regulations” | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| “SEBI Listing Regulations” or “Listing Regulations” | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| “SEBI Merchant Bankers Regulations” | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999 |
| “SEBI SBEB Regulations 2021” | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| “SEBI VCF Regulations” | The <i>erstwhile</i> Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations |
| “SICA” | The <i>erstwhile</i> Sick Industrial Companies (Special Provisions) Act, 1985 |
| “STT” | Securities Transaction Tax |
| “State Government” | Government of a State of India |
| “Takeover Regulations” | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| “U.S.A”/ “U.S.”/ “United States” | The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia |
| “USD” or “US\$” | United States Dollars |
| “U.S. GAAP” | Generally Accepted Accounting Principles in the United States of America |
| “U.S. Securities Act” | United States Securities Act of 1933, as amended |
| “VAT” | Value added tax |
| “VCFs” | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |

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

Certain Conventions

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

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

Unless 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 the context otherwise requires or indicates, the financial information and any percentage amounts (excluding certain operational metrics), as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 25, 131 and 237, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Summary Statements. Our Restated Consolidated Summary Statements have been compiled from (i) audited special purpose interim consolidated financial statements as at and for the period ended June 30, 2021; and (ii) consolidated audited Ind AS financial statements as at and for the Fiscals ended March 31, 2021, 2020 and 2019. The restated summary statement of assets and liabilities as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the restated summary statements of profit and loss and the restated summary statement of cash flows for the quarter ending June 30, 2021 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, together with the summary statement of significant accounting policies, and other explanatory information, have been prepared in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI.

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Summary Statements.

For further information on our Company’s financial information, see “*Financial Statements*” on page 182.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with IFRS or U.S. GAAP requirements. 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 financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see “*Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and US GAAP, which may be material to investors’ assessments of our financial condition*” on page 49.

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. Except as otherwise stated, 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. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

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

Non-GAAP Measures

This Draft Red Herring Prospectus contains certain Non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, net worth, return on net worth, Net Asset Value per Equity Share, debt equity ratio, and certain other statistical information relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company’s operating performance. See “*Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.*” on page 46.

Currency and Units of Presentation

All references to:

1. “Rupees” or “INR” or “Rs.” or “₹” are to the Indian Rupee, the official currency of India; and
2. “USD” or “US\$” or “\$” or “U.S. Dollar” are to the United States Dollar, the official currency of the United States of America.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million”, “billion” and “trillion” units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions 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.

Time

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

Exchange Rates

This Draft Red Herring Prospectus contains conversions 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 Indian Rupee and other foreign currencies:

| Currency | As on June 30, 2021 | As on March 31, 2021(₹) | As on March 31, 2020 (₹) | As on March 31, 2019(₹) ⁽¹⁾ |
|----------|---------------------|-------------------------|-----------------------------|--|
| 1 USD | 74.35 | 73.50 | 75.39 | 69.17 |

(Source: USD - www.fbil.org.in)

⁽¹⁾ In case of a public holiday, the previous working day i.e. March 29, 2019 not being a public holiday has been considered.

Industry and Market Data

The industry and market data set forth in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which industry and market data set forth 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 25.

This Draft Red Herring Prospectus contains certain industry and market data and statements concerning our industry obtained or derived from the report titled "*Independent Market Report - Global Adhesives and Emulsions Market*" dated November 17, 2021 prepared by Frost & Sullivan, who was appointed by our Company on August 5, 2021, (the "**F&S Report**") and publicly available information as well as other industry publications and sources. The F&S Report has been commissioned by our Company exclusively for the purposes of the Offer for an agreed fee and is available at our Company's website, at <https://www.jesons.net/industry-report.php>. Further, Frost & Sullivan, vide their letter dated November 19, 2021 ("**Letter**") has accorded their no objection and consent to use the F&S Report and the contents thereof. Frost & Sullivan vide their Letter has also confirmed that they are an independent agency, and confirmed that they are not related to our Company, our Directors and our Promoter. The F&S Report is available on our website, at <https://www.jesons.net/corporate-governance.php>. For further details in relation to risks involving the F&S Report, see "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from Frost & Sullivan 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 45.

Disclaimer of Frost & Sullivan

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

"Independent Market Report - Global Adhesives and Coatings Market" (the "Report") has been prepared for the proposed initial public offering of equity shares (the "Offer") by Jesons Industries Limited (the "Company").

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

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

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

In making any decision regarding the Offer, the recipient should conduct its own investigation and analysis of all facts and information contained in the offer documents of which this report is a part and the recipient must rely on its own examination of the Company and the terms of the Offer, as and when discussed. The recipients should not construe any of the contents in this Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Offer."

FORWARD LOOKING STATEMENTS

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

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. The extent to which the coronavirus disease (COVID-19) affects our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted;
2. Our business and the demand for our products is heavily reliant on the demand from end-user industries and any downturn in the end-user industries could have an adverse impact on our business, results of operations, cash flows and financial condition;
3. Our business is dependent on our manufacturing facilities and we are subject to certain related risks. Unplanned slowdowns, unscheduled shutdowns or prolonged disruptions in our manufacturing operations or under-utilization of our manufacturing capacities could have an adverse effect on our business, results of operations, cash flows and financial condition;
4. If we are unable to obtain or maintain regulatory approvals for our manufacturing facilities and products, we may be unable to operate our manufacturing facilities or sell our products, which could adversely affect our business, cash flows and results of operations;
5. There have been instances of non-compliance with certain environmental laws in the past and the terms and conditions of approvals issued under such laws in relation to our manufacturing units located at Daman (Daman Unit I and Daman Unit III). Any such failure to comply with environmental laws and/or the terms and conditions of approvals issued under such environmental laws and regulations could subject us to penalties and other regulatory actions, impact our ability to obtain or renew such approvals in a timely manner/ at all and may also adversely affect our ability to operate our units at Daman and consequently affect our results of operations;
6. A significant portion of our revenue is attributable to export of our products to Asia-Pacific, Middle East, and Africa. Further, our domestic revenue is concentrated in western India;
7. We face foreign exchange fluctuation risks that could adversely affect our results of operations.
8. Our inability to accurately forecast demand for our products and manage our inventory or working capital balances may have an adverse effect on our business, results of operations, cash flows and financial condition;
9. The success of our business and operations are dependent upon certain quality accreditations which are valid for a limited time period. An inability to renew such accreditations in a timely manner, or at all, may adversely affect our business and prospects;
10. We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations; and
11. We source our raw material from a limited number of suppliers with whom we have short term contracts or no contracts at all. Any increase in the cost of our raw material or other purchases, delay, interruption or reduction in the supply of raw materials to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on

pages 25, 131 and 237, 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 gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

We cannot assure 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 as a guarantee of future performance.

Neither our Company, our Directors, our Promoter, who is also the Selling Shareholder, the BRLMs, the Syndicate Member nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements under the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Promoter Selling Shareholder shall ensure (through our Company and the BRLMs) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the Promoter Selling Shareholder in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Promoter Selling Shareholder in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by the Promoter Selling Shareholder.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Industry Overview”, “Our Business”, “Objects of the Offer”, “Our Promoter and Promoter Group”, “Financial Statements”, “Outstanding Litigation and Material Developments”, “Offer Structure”, “Management’s Discussions and Analysis of Financial Position and Results of Operations” on pages 25, 53, 68, 99, 131, 78, 177, 182, 270, 304, and 237 respectively.

Primary business of our Company

We are one of the leading manufacturers of specialty coating emulsions (“SCE”) and water based pressure sensitive adhesives (“PSA”) in tape and label segments (in terms of sales value), in India (source: F&S Report). Our products are used in various end user industries, such as paints, packaging, and chemicals for construction, textiles, leather, carpet and paper. Amongst the Indian manufacturers, we have one of the largest range of products in SCEs and PSAs product categories (source: F&S Report). We are one of the leading SCE suppliers to the Indian paint sector with about 30% market share in the segment in Fiscal 2021, in terms of sales value (source: F&S Report).

Summary of the industry in which our Company operates

The emulsions market was valued at \$ 4,018 million in 2020, and is projected to reach \$ 5,617 million by 2025 growing at a CAGR of 7.45% from 2020 to 2025. The global adhesives and sealants market is set to gain traction from the increasing adoption of adhesive tapes by engineers from numerous fields, especially aviation and automotive. These tapes can be drawn into films and can be formulated with multiple viscosities. The global Adhesives market is valued at around \$ 47 billion in 2020. The global adhesives market is expected to grow at 5.9% CAGR; reaching \$ 63 billion by 2025.

Name of the Promoter

Our Promoter is Dhires Shashikant Gosalia. For further details, see “Our Promoter and Promoter Group” on page 177.

Offer Size

| | |
|---|---|
| Offer of Equity Shares ⁽¹⁾ | Up to [●] Equity Shares, aggregating up to ₹ [●] million |
| <i>of which</i> | |
| Fresh Issue ⁽¹⁾⁽²⁾ | Up to [●] Equity Shares, aggregating up to ₹ 1,200 million |
| Offer for Sale ⁽³⁾ | Up to 12,157,000 Equity Shares, aggregating up to ₹ [●] million by the Promoter Selling Shareholder |
| <i>of which</i> | |
| Employee Reservation Portion ⁽⁴⁾ | Up to 77,000 Equity Shares, aggregating up to ₹ [●] million |
| Net Offer ⁽⁵⁾ | Up to [●] Equity Shares, aggregating up to ₹ [●] million |

(1) Our Company, in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement. If our Company undertakes the Pre-IPO Placement, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Net Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue. The Offer includes the Employee Reservation Portion.

(2) The Offer has been authorized by a resolution of our Board dated October 19, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated November 6, 2021.

(3) The Promoter Selling Shareholder has confirmed and authorized his participation in the Offer for Sale. The Equity Shares to be offered by the Promoter Selling Shareholder in the Offer for Sale have been held by him for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and are accordingly, eligible for being offered for sale in the Offer for Sale. For further details of authorisations pertaining to the Offer for Sale, see “Other Regulatory and Statutory Disclosures” on page 287.

(4) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 500,000), shall be added to the Net Offer. For further details, see “Offer Structure” on page 304.

(5) Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor

Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see “Offer Procedure” on page 307.

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

The above table summarises the details of the Offer. For further details of the offer, see “The Offer” and “Offer Structure” on pages 53 and 304, respectively.

Objects of the Offer

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

(In ₹ million)

| Particulars | Amount [^] |
|---|---------------------|
| Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company and our Subsidiary, Jisons Techno Polymers LLP. | 900 |
| General corporate purposes* | [●] |
| Net Proceeds* | [●] |

* To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds from Fresh Issue.

[^] Our Company, in consultation with the BRLMs, may consider undertaking a Pre-IPO Placement. If our Company undertakes the Pre-IPO Placement, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Net Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue.

For further details, see “Objects of the Offer” on page 78.

Aggregate pre-Offer shareholding of our Promoter, our Promoter Group and Promoter Selling Shareholder

The aggregate pre-Offer shareholding of our Promoter, Promoter Group and Promoter Selling Shareholder as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

| S No. | Name of shareholder | Pre-Offer equity share capital | |
|---|----------------------------|--------------------------------|--|
| | | Number of Equity Shares | Percentage of total pre-Offer paid up Equity Share capital |
| Promoter/ Promoter Selling Shareholder | | | |
| 1. | Dhires Shashikant Gosalia* | 46,387,200 | 86.53% |
| | Total (A) | 46,387,200 | 86.53% |
| Promoter Group | | | |
| 1. | Madhavi Dhires Gosalia | 4,206,000 | 7.85% |
| 2. | Ravina Gaurav Shah | 1,500,000 | 2.80% |
| 3. | Jhelum Dhires Gosalia | 1,500,000 | 2.80% |
| 4. | Usha Shashikant Gosalia | 6,000 | 0.01% |
| 5. | Madhuri Madhusudan Mehta | 6,000 | 0.01% |
| 6. | Parul Rajesh Mody | 6,000 | 0.01% |
| | Total (B) | 7,224,000 | 13.47% |
| | Total (A+B) | 53,611,200 | 100.00% |

* Dhires Shashikant Gosalia is our Promoter Selling Shareholder.

Summary of select financial information

The summary of our select financial information as per the Restated Consolidated Summary Statements is set forth below:

(In ₹ million except per share data)

| Particulars | Three months period ended June 30, 2021 ⁽²⁾ | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|--|--|-------------|-------------|-------------|
| Equity share capital | 89.35 | 89.35 | 89.35 | 89.35 |
| Net Worth/ Equity attributable to owners of the Company (excluding non controlling interest) | 3,171.54 | 2,628.37 | 1,689.20 | 1,427.48 |
| Revenue from Operations | 4,384.28 | 10,857.17 | 9,013.71 | 9,176.94 |
| Profit for the period/ year ⁽⁴⁾ | 542.71 | 928.81 | 296.47 | 247.51 |

| Particulars | Three months period ended June 30, 2021 ⁽²⁾ | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|--|--|-------------|-------------|-------------|
| Total comprehensive income for the period/ year (net of tax) | 542.07 | 927.10 | 294.11 | 246.95 |
| Earnings per share ⁽¹⁾ | | | | |
| - Basic | 10.13 ⁽²⁾ | 17.55 | 5.51 | 4.62 |
| - Diluted | 10.13 ⁽²⁾ | 17.55 | 5.51 | 4.62 |
| Net Asset Value per equity share ⁽⁵⁾ | 59.16 | 49.03 | 31.51 | 26.63 |
| Total Borrowing ⁽³⁾ | 1,528.30 | 782.35 | 454.75 | 7.08 |

Notes:

(1) After share split and bonus issue*

(2) Not Annualised

(3) Total borrowings includes current maturities of long term borrowings, current and non-current borrowings.

(4) Excluding other comprehensive income.

(5) Net Asset Value per equity share =

Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company), excluding non-controlling interest
Number of equity shares outstanding at the end of the relevant year/period (after giving effect to sub-division and bonus issue)*

* Pursuant to a resolution passed by the Shareholders in the extraordinary general meeting held on August 20, 2021, our Company has sub-divided the face value of its equity shares from ₹100 each to ₹5 each. Further, the Board of Directors has also approved the issue of bonus equity shares in the meeting held on September 16, 2021, in the ratio of 2:1 out of the eligible reserves of our Company. Accordingly, the Net Asset Value per share as at the three months period ended June 30, 2021 and the year ended March 31, 2021 has been arrived at after giving effect to the above sub-division as well as bonus issue.

For further details see “Financial Statements” on page 182.

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

The Statutory Auditors have not made any qualifications in the examination report that have not been given effect to in the Restated Consolidated Summary Statements.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Group Company, our Promoter and our Directors as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “Outstanding Litigation and Material Developments” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

| Type of Proceedings | Number of cases | Amount* (₹ in million) |
|--|---------------------|--|
| Cases against our Company | | |
| Criminal proceedings | 2 | Not quantifiable |
| Actions taken by statutory or regulatory authorities | 11 | 37.81 [®] |
| Claims related to direct and indirect taxes (other than claims by statutory or regulatory authorities) | 2 (Refer to Note 3) | 3.85 (Refer to Note 3) ⁽¹⁾⁽²⁾ |
| Other pending material litigation proceedings | Nil | Nil |
| Total | 15 | 41.66 |
| Cases by our Company | | |
| Criminal proceedings | 13 | 49.75 |
| Other pending material proceedings | Nil | Nil |
| Total | 13 | 49.75 |
| Cases against our Subsidiaries | | |
| Criminal proceedings | Nil | Nil |
| Actions taken by statutory or regulatory authorities | Nil | Nil |
| Claims related to direct and indirect taxes | Nil | Nil |
| Other pending material litigation proceedings | Nil | Nil |
| Total | Nil | Nil |
| Cases by our Subsidiaries | | |
| Criminal proceedings | Nil | Nil |
| Other pending material proceedings | Nil | Nil |
| Total | Nil | Nil |
| Cases against our Promoter | | |
| Criminal proceedings | Nil | Nil |
| Actions taken by statutory or regulatory authorities | Nil | Nil |
| Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five financial years. | Nil | Nil |
| Claims related to direct and indirect taxes | 1 | Not quantifiable |
| Other pending material litigation | Nil | Nil |

| Type of Proceedings | Number of cases | Amount* (₹ in million) |
|---|-----------------|---------------------------|
| Total | 1 | Not quantifiable |
| Cases by our Promoter | | |
| Criminal proceedings | Nil | Nil |
| Other pending material litigation | Nil | Nil |
| Total | Nil | Nil |
| Cases against the Directors | | |
| Criminal proceedings | Nil | Nil |
| Actions taken by statutory or regulatory authorities | Nil | Nil |
| Claims related to direct and indirect taxes | 1 | Not quantifiable |
| Other pending material litigation | Nil | Nil |
| Total | Nil | Nil |
| Cases by the Directors | | |
| Criminal proceedings | Nil | Nil |
| Other pending material litigation | Nil | Nil |
| Total | Nil | Nil |
| Cases against the Group Company | | |
| Pending litigation which has a material impact on our Company | Nil | Nil |
| Total | Nil | Nil |
| Cases by the Group Company | | |
| Pending litigation which has a material impact on our Company | Nil | Nil |

*To the extent quantifiable

(1) Our Company has received intimation under section 143(1) of Income Tax act, 1961, that the department has erred in giving the TDS credit of ₹ 0.38 million reflecting in 26AS. After giving such credit there will be no demand.

(2) Apart from these cases, Company has also received one inquiry letter to submit relevant data from Director Revenue Intelligence (DRI) on September 28, 2021, in connection with the non-payment of social welfare surcharge on the imported goods in respect of which basic customs duty was exempt. The amount involved is not quantifiable.

(3) Seven claims for ₹ 25.59 million have been disclosed and included under the head 'Actions by statutory or regulatory authorities' on page 272 and have accordingly not been included in this row.

® Includes ₹ 8.94 million already paid by our Company pursuant to proceedings initiated and penalty imposed by the Commissioner of Customs, Kandla, against which appeal has been filed by our Company.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 270.

Risk Factors

For details of certain risks applicable to us, see “*Risk Factors*” on page 25.

Summary of Contingent Liabilities and Commitments of our Company

Details of the contingent liabilities and commitments of our Company as at June 30, 2021 derived from the Restated Consolidated Summary Statements are set forth below:

| Sr. No. | Particulars | Amount (in ₹ million) |
|---------|--|-----------------------|
| 1. | Custom Duty | 16.66 |
| 2 | Bank Guarantee | 6.94 |
| | Capital Commitments | |
| | Estimated value of contracts for property, plant and equipment remaining to be executed and not provided for (net of capital advances) | 41.81 |
| | Uncalled amount on account of member's interest in Dura – Jesons LLC | 0.37 |
| | Total | 65.78 |

For further details of the contingent liabilities and commitments of our Company as on June 30, 2021, see “*Restated Consolidated Summary Statements - Contingent Liability and Commitments*” on page 220.

Summary of Related Party Transactions

Summary of the related party transactions derived from the Restated Consolidated Summary Statements, is as follows:

(In ₹ million)

| Sr. No. | Nature of Transactions | Three months period ended June 30, 2021 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|---------|---|---|-------------|-------------|-------------|
| 1 | Revenue from Operations | | | | |
| | Dura-Jesons LLC | 5.37 | 2.07 | 0.81 | 2.09 |
| 2 | Director Remuneration | | | | |
| | Dhiresh Gosalia | 11.25 | 45.00 | 45.00 | 60.00 |
| | Madhavi Gosalia | 2.10 | 8.40 | 8.40 | - |
| | Raju Vinod Palvia | 1.96 | 7.98 | 7.45 | 7.30 |
| 3 | Salary Expense | | | | |
| | Jhelum Gosalia | 0.90 | 3.60 | 3.60 | 1.32 |
| | Ravina Shah | 0.90 | 3.60 | 3.60 | 1.32 |
| | Parul Mody | 0.30 | - | - | - |
| 4 | Interest Expense | | | | |
| | Dhiresh Gosalia | - | - | - | 0.26 |
| 5 | Loan Repayment | | | | |
| | Dhiresh Gosalia | - | - | - | 11.53 |
| 6 | Capital Contribution | | | | |
| | Dhiresh Gosalia | - | 26.25 | 33.75 | - |
| 7 | Investments in equity shares | | | | |
| | Dura-Jesons LLC | - | 1.86 | 0.75 | - |
| 8 | Contributions for Gratuity | | | | |
| | Jesons Industries Limited Employees Group Gratuity Assurance Scheme | 5.04 | 5.27 | 2.76 | 2.51 |
| 9 | Pre-Operative Expenses | | | | |
| | Business Support Service | - | 2.65 | 1.79 | - |
| | Purchase of Goods for Factory | - | 1.09 | - | - |
| | Reimbursement of Expenses | - | 0.07 | - | - |
| 10 | Dividend paid | | | | |
| | | - | - | 26.80 | - |
| 11 | Purchase of share from Dhiresh Gosalia | 44.01 | - | - | - |
| 12 | Director Sitting Fees | | | | |
| | Shreyas Mahendra Patel | 0.01 | 0.03 | 0.02 | 0.02 |
| | Alyza Nihar Sanghai | 0.00 | 0.02 | 0.01 | 0.01 |
| | Jyoti Himanshu Doshi | 0.00 | 0.02 | 0.02 | 0.02 |

Amount due to/from related party post elimination of intra-group balances:

(In ₹ million)

| Nature of transaction | Name of the Party | Three months period ended June 30, 2021 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|---|-------------------|---|-------------|-------------|-------------|
| Investments in equity shares | Dura-Jesons LLC | 1.44 | 1.54 | - | 0.48 |
| Trade Receivables | Dura-Jesons LLC | 6.04 | 0.67 | 0.75 | 2.05 |
| Capital Contributions and share of profit/loss | Dhiresh Gosalia | 3.80 | 48.91 | 34.73 | - |
| Payable to Partner towards reduction in his share of LLP | Dhiresh Gosalia * | 44.01 | - | - | - |
| Other Payable | Dura-Jesons LLC | - | - | 0.74 | - |
| Director Remuneration Payable | Dhiresh Gosalia | 2.19 | 0.29 | 0.07 | 3.08 |
| | Madhavi Gosalia | 0.46 | 0.07 | 0.55 | - |

| Nature of transaction | Name of the Party | Three months period ended June 30, 2021 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|-----------------------|-------------------|---|-------------|-------------|-------------|
| | Raju Vinod Palvia | 0.44 | 0.49 | 0.41 | 0.41 |
| Salary Payable | Jhelum Gosalia | 0.22 | 0.22 | 0.21 | 0.10 |
| | Ravina Shah | 0.22 | 0.22 | 0.21 | 0.10 |
| | Parul Mody | 0.10 | - | - | - |
| Commitment | Dura-Jesons LLC | 0.36 | 0.36 | 2.28 | - |

* Payable to Mr. Dhires Gosalia on account of reduction in his share in Jesons Techno Polymer LLP.

For further details of the related party transactions, as per the requirements under Ind AS 24 'Related Party Disclosures', see "Restated Consolidated Summary Statements- Related Party Disclosures" on page 221.

Financing Arrangements

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

Weighted average price at which the Equity Shares were acquired by our Promoter, who is also the Promoter Selling Shareholder and members of our Promoter Group in the three years and in the one year immediately preceding the date of this Draft Red Herring Prospectus

The weighted average price at which our Promoter, who is also the Promoter Selling Shareholder, and the members of our Promoter Group acquired the Equity Shares in the three years and in the one year immediately preceding the date of this Draft Red Herring Prospectus are as follows:

| Period | Name | Number of Equity Shares acquired ⁽¹⁾⁽³⁾ | Weighted Average Price of Equity Shares acquired (₹) ^{(2)(3)*} |
|-----------------------|---|--|---|
| Preceding three years | Promoter and Selling Shareholder | | |
| | Dhires Shashikant Gosalia | 31,920,800 | Nil |
| | Promoter Group | | |
| | Madhavi Dhires Gosalia | 2,804,000 | Nil |
| | Ravina Gaurav Shah | 1,000,000 | Nil |
| | Madhuri Madhusudan Mehta | 4,000 | Nil |
| | Jhelum Dhires Gosalia | 1,498,000 ⁽⁴⁾ | Nil |
| | Usha Shashikant Gosalia | 4,000 | Nil |
| | Parul Rajesh Mody | 4,000 | Nil |
| Preceding one year | Promoter and Selling Shareholder | | |
| | Dhires Shashikant Gosalia | 31,920,800 | Nil |
| | Promoter Group | | |
| | Madhavi Dhires Gosalia | 2,804,000 | Nil |
| | Ravina Gaurav Shah | 1,000,000 | Nil |
| | Madhuri Madhusudan Mehta | 4,000 | Nil |
| | Jhelum Dhires Gosalia | 1,498,000 ⁽⁴⁾ | Nil ⁽⁴⁾ |
| | Usha Shashikant Gosalia | 4,000 | Nil |
| | Parul Rajesh Mody | 4,000 | Nil |

(1) Post adjustment of bonus issue and sub-division of Equity Shares. Pursuant to a resolution of the Board dated August 2, 2021 and Shareholders' resolution dated August 20, 2021, equity shares of face value of ₹ 100 each of the Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of the Company comprising 893,520 equity shares of face value of ₹ 100 each was sub-divided into 17,870,400 Equity Shares of face value of ₹ 5 each.

(2) 35,740,800 Equity Shares were allotted to existing shareholders of our Company pursuant to a bonus issue in the ratio of two new Equity Shares for each existing Equity Share held as on August 28, 2021, through capitalization of the eligible reserves. Thus, the cost of acquisition of the Equity Shares acquired pursuant to such bonus issuance has been considered "NIL".

(3) For the purposes of calculating the number of equity shares and weighted average price of the equity shares acquired in the last one year and last three years, the sale/transfer of equity shares by the Promoter, who is also the Selling Shareholder and the Promoter

Group, during such period of one year and three years have not been considered and thus have not been netted off from the gross acquisition of Equity Shares.

(4) Includes equity shares acquired pursuant to a gift from Dhires Shashikant Gosalia to Jhelum Dhires Gosalia.

* As certified by D M K H & Co, Chartered Accountants, by way of their certificate dated November 19, 2021.

Except as disclosed above, none of the other members of our Promoter Group have acquired any Equity Shares of our Company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Average cost of acquisition of Equity Shares of our Promoter and Promoter Selling Shareholder

The average cost of acquisition per Equity Share of the Equity Shares held by our Promoter, who is also the Promoter Selling Shareholder, as at the date of this Draft Red Herring Prospectus, is set forth below:

| Name of the Promoter and Selling Shareholder | Number of Equity Shares | Average cost of acquisition per Equity Share (₹) |
|--|-------------------------|--|
| Dhires Shashikant Gosalia [#] | 46,387,200 | 1.49 |

As certified by D M K H & Co., Chartered Accountants, by way of their certificate dated November 19, 2021.

[#]Dhires Shashikant Gosalia is also the Promoter Selling Shareholder.

For further details of the acquisition of Equity Shares of our Promoter, see “Capital Structure – Build-up of our Promoter’ shareholding in our Company” at page 72.

Details of Pre-IPO placement

Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), aggregating up to ₹240 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Net Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue.

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

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus:

| Date of allotment of equity shares | Number of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of Allotment | Nature of consideration |
|------------------------------------|----------------------------------|---------------------------------|----------------------------------|--|-------------------------|
| September 16, 2021 | 35,740,800 | 5 | Not applicable | Issuance of Bonus equity shares ⁽¹⁾ | Not applicable |

⁽¹⁾ 35,740,800 equity shares were allotted to the shareholders of our Company pursuant to a bonus issue in the ratio of 2:1 for each existing equity share held as on August 28, 2021, through capitalisation of the eligible reserves.

Split / Consolidation of Equity Shares in the last one year

Pursuant to a resolution of our Board dated August 2, 2021 and Shareholders’ resolution dated August 20, 2021, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 893,520 equity shares of face value of ₹ 100 each was sub-divided into 17,870,400 equity shares of face value of ₹ 5 each. Other than this, our Company has not undertaken any split or consolidation of Equity Shares in one year preceding the date of this Draft Red Herring Prospectus. For further details, see “Capital Structure” on page 68.

SECTION II – 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 “Our Business”, “Industry Overview”, and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 131, 99 and 237, respectively, as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Draft Red Herring Prospectus.

If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations, cashflows and financial condition could suffer, the trading price of, and the value of your investment in, 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 Subsidiaries and Associate, 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 many of the other risks described in this section, such as those relating to levels of consolidated indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness. 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. See “Forward-Looking Statements” on page 16.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Summary Statements. For further details, please see “Financial Statements” on page 182.

Unless otherwise indicated, industry and market data used in this section has been derived from the Frost & Sullivan Report titled “Independent Market Report Global Adhesives and Coatings Market” dated November 17, 2021 (the “F&S Report”) prepared and issued by Frost & Sullivan and commissioned by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see “– Certain sections of this Draft Red Herring Prospectus contain information from Frost & Sullivan 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 45. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 13 .

INTERNAL RISKS

- 1. The extent to which the coronavirus disease (COVID-19) affects our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.***

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 COVID-19 pandemic has created unique global and industry-wide challenges, including challenges to many aspects of our business. The COVID-19 pandemic resulted in quarantines, travel restrictions, limitations on social or public gatherings, and the temporary closure of business venues and facilities across the world, including India. In particular, there have been multiple waves of infections that have impacted certain countries, with India most recently experiencing a second wave of infections that significantly increased the number of persons impacted by COVID-19. Since March 2021, there was a significant resurgence in the daily number of new COVID-19 cases and resulting deaths and the GoI and State governments in India re-imposed lockdowns and other more restrictive measures in an effort to stop the resurgence of new infections. These have all contributed to negative economic impact on the Indian economy and consequently our business and operations. It is possible that the COVID-19 pandemic will continue to cause a prolonged global economic crisis or recession.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, including in the regions in which we operate, such as

prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, among many others. Progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. However, lockdowns were re-introduced in certain areas and it may be re-introduced in other areas or extended in the future. 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:

- result in a complete or partial closure of, or disruptions or restrictions on our ability to conduct, our manufacturing operations. For example, on account of the lockdown, our operations were disrupted at our manufacturing facilities from March 2020 to April 2020. Further, our manufacturing facilities were completely shut at (i) Chennai (Tamil Nadu) from March 24, 2020 to March 31, 2020, (ii) Roorkee (Uttarakhand) from March 24, 2020 to April 20, 2020, and (iii) Daman (Dadra and Nagar Haveli and Daman and Diu) from March 24, 2020 for approximately one month, and (iv) Vapi (Gujarat) from March 24, 2020 to April 20, 2020. Our facilities, however, have continued operations in the normal course in 2021.
- impact ability of our management and employees to travel, enter into or complete material contracts and other business transactions and delay movement of our products;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of our key raw materials suppliers.
- increase in raw material prices. For example, our raw material prices for Butyl Acrylate Monomer increased by 13.40% in Fiscal 2021, as compared to Fiscal 2020, on account of the COVID-19 pandemic.
- disruptions in transportation of raw materials to our manufacturing facilities from our suppliers due to border restrictions imposed on account of the COVID-19 induced lockdown.
- disruptions in transportation of manufactured goods from our manufacturing facilities to our customers due to border restrictions imposed on account of the COVID-19 induced lockdown.
- lack of availability of space in vessels and shipping containers to transport our raw materials and manufactured goods, in case of our imports and exports, respectively. For example, our freight costs for our import of raw materials, and export of products, escalated substantially, and consequently, we incurred significant additional expenses on account of transportation and logistics. Our export freight cost had increased to ₹8.44 per kg in the quarter ended June 30, 2021, as compared to ₹5.50 per kg in Fiscal 2021, ₹2.79 per kg in Fiscal 2020 and ₹2.37 per kg in Fiscal 2019.
- non-availability of labour, which could result in a slowdown in our operations and delay the expansion of our manufacturing facilities;
- our inability to access debt and equity capital on acceptable terms, or at all;
- the effects of the COVID-19 pandemic on our future results of operations, cash flows and financial condition could adversely impact our ability to comply with the covenants in our credit facilities and other financing agreements and could result in events of default and the acceleration of indebtedness;
- increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics, resulting from the increase in numbers of employees working from home;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

Any such events beyond our control may unfold in the future, which makes it difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future. Further, our insurance policies may not provide adequate coverage in circumstances, such as the COVID-19 pandemic. For further details, please see “- *Our insurance coverage may not be sufficient or adequate to protect us against all material hazards or business losses, which may adversely affect our business, results of operations and financial condition*” on page 37.

Our Statutory Auditor has included emphasis of matters in its examination report on our Restated Consolidated Summary Statements for the Fiscals 2020 and 2021, and the three-month period ended June 30, 2021, in relation to assessments made by us on our operations, financial performance and position for the aforesaid financial periods on account of COVID-19. While no adjustments or modifications have been made to the Restated Consolidated Summary Statements, we will continue to closely monitor any material changes to future economic conditions, a definitive assessment of the impact of COVID-19 in the subsequent period is dependent upon the circumstances as they evolve. For further details, please see “*Financial Statements*” on page 182.

Any intensification or escalation of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, financial condition and results of operations. In addition, we generate a major part of our revenue through our operations in India. The effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this “*Risk Factors*” section.

2. ***Our business and the demand for our products is heavily reliant on the demand from end-user industries and any downturn in the end-user industries could have an adverse impact on our business, results of operations, cash flows and financial condition.***

For the three month period ended June 30, 2021, a significant portion of our revenue from operations is generated from SCE and PSA products, sold to the paints and packaging industries constituting 49.40% and 38.00% respectively.

Set out below is an end-user industry wise break-up of our revenue contribution for the referenced financial period:

| Product group* | End-user industry | Fiscal 2019 | | Fiscal 2020 | | Fiscal 2021 | | Three month period ended June 30, 2021 | |
|----------------|-------------------|--|---|--|---|--|---|--|---|
| | | Revenue from operations (in ₹ million) | % contribution to revenue from operations | Revenue from operations (in ₹ million) | % contribution to revenue from operations | Revenue from operations (in ₹ million) | % contribution to revenue from operations | Revenue from operations (in ₹ million) | % contribution to revenue from operations |
| SCE | Paints | 3,431.97 | 37.40 | 3,586.85 | 39.79 | 4,713.91 | 43.42 | 2,165.96 | 49.40 |
| | SCE Others* | 577.02 | 6.29 | 688.8 | 7.64 | 636.96 | 5.86 | 269.35 | 6.14 |
| PSA | Packaging | 4,084.03 | 44.50 | 3,664.88 | 40.66 | 4,237.93 | 39.03 | 1,666.08 | 38.00 |
| Others* | Others** | 1,083.92 | 11.81 | 1,073.18 | 11.91 | 1,268.38 | 11.69 | 282.88 | 6.46 |
| Total | | 9,176.94 | 100.00 | 9,013.71 | 100.00 | 10,857.17 | 100.00 | 4,384.28 | 100.00 |

* Includes textile chemicals, construction chemicals.

**Includes trading sales, export incentives, job works income and scrap sales.

We also supply to other industries such as textiles, and construction chemicals.

The demand for our products and margin of our products is also dependent on and directly affected by factors affecting these industries, specifically the paints and packaging industries. Some of the key factors affecting sales in the paint industry are substitution of coatings with decorative concretes, house wraps and wallpapers (*source: F&S Report*). Further, some of the key factors affecting the packaging industry are change in availability of raw material, and rules and regulations relating to maximum limit of volatile organic compounds content (*source: F&S Report*). Any material downturn in any of the end-user industries that we service, as a result of increased competition, regulatory action, litigation, pricing fluctuation or outbreak of an infectious disease like COVID-19 may have an adverse impact on us. There can be no assurance that the lack of demand from any one of these industries can be off-set by sales to other industries in which our products find application or by successfully introducing new products in these industries. Further, the success of the end products manufactured by our customers depends on our ability, as well as the ability of our customers to identify early on, and correctly assess consumer market preferences. We cannot assure you that our customers will correctly assess consumer preferences in a timely manner or that demand for goods in which our products are used will not decline. Occurrence of any of such events or other events that acutely affects the sales of our customer's end products would have a material and adverse effect on our business, results of operations, cash flows and financial condition.

3. ***Our business is dependent on our manufacturing facilities and we are subject to certain related risks. Unplanned slowdowns, unscheduled shutdowns or prolonged disruptions in our manufacturing operations or under-utilization of our manufacturing capacities could have an adverse effect on our business, results of operations, cash flows and financial condition.***

We have six manufacturing facilities comprising two facilities at Daman (Dadra and Nagar Haveli and Daman and Diu), and one facility each at Roorkee (Uttarakhand), Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), Mundra (Gujarat) and Vapi (Gujarat). Further, we rely on third party contract manufacturers in relation to certain manufacturing processes. For further details, please see "*Our Business – Contract Manufacturing*" on page 147. Our contract manufacturers contributed 1.01%, 11.34%, 26.38% and 32.79% of our total sales quantity for Fiscal 2019, Fiscal 2020, Fiscal 2021 and three months period ended June 30, 2021. Our business is dependent upon our ability to efficiently manage our manufacturing facilities, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and circumstances beyond our control, such as the breakdown and failure of equipment or industrial accidents, localised social unrest, severe weather conditions, natural disasters and infectious disease outbreaks such as the COVID-19 pandemic. In particular, due to the COVID-19 pandemic, our manufacturing facilities were completely shut in (i) Chennai from March 24, 2020 to March 31, 2020, (ii) Roorkee (Uttarakhand) from March 24, 2020 to April 20, 2020, (iii) Daman (Dadra and Nagar Haveli and Daman and Diu) from March 24, 2020 for approximately one month, and (iv) Vapi (Gujarat) from March 24, 2020 to April 20, 2020, owing to the lockdown imposed by the GoI and state governments. Further, our manufacturing facilities at Daman have been shut for a short period of time due to certain environmental non-compliances. For further details, please see "*There have been instances of non-compliance with certain environmental laws in the past and the terms and conditions of approvals issued under such laws in relation to our manufacturing units located at Daman, Dadra and*

Nagar Haveli and Daman and Diu (Daman Unit I and Daman Unit III). Any such failure to comply with environmental laws and/or the terms and conditions of approvals issued under such environmental laws and regulations could subject us to penalties and other regulatory actions, impact our ability to obtain or renew such approvals in a timely manner/ at all and may also adversely affect our ability to operate our units at Daman and consequently affect our results of operations” on page 28. Our customers rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our customer relationships, business, financial condition, results of operations, and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above. Further, any of the aforesaid factors could also disrupt manufacturing facilities of our third party contract manufacturers. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. We may also experience loss of, or a decrease in, revenue due to lower manufacturing levels. In addition, we may be required to shut down our manufacturing facilities for various reasons such as maintenance, inspection, testing and capacity expansion. Further, the capacity utilization at our manufacturing facilities is subject to various factors such as availability of raw materials, power, water, efficient working of machinery and equipment and optimal manufacturing planning. In the event there are any disruptions at our manufacturing facility, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political or economic disturbances, could reduce our ability to meet the conditions of our contracts, manufacture our products and adversely affect sales and revenues from operations in such period. In addition to the loss as a result of such fire or industrial accident, any shutdown of our manufacturing facility could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. An inability to utilize our manufacturing facility to its full or optimal capacity, non-utilization of such capacities could have an adverse effect on our results of operations, cash flows and financial condition. Further, our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to an adverse effect on our business, results of operations, cash flows, and financial condition.

For details of our capacity utilisation, please see “*Our Business – Capacity and Capacity Utilisation*” on page 145. We also cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our manufacturing facility, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations. In the event of prolonged interruptions in the operations of our manufacturing facility, we may have to import various supplies and products or purchase them locally in order to meet our obligations towards customers, which could affect our profitability, business and financial condition.

- 4. *If we are unable to obtain or maintain regulatory approvals for our manufacturing facilities and products, we may be unable to operate our manufacturing facilities or sell our products, which could adversely affect our business, cash flows and results of operations.***

The export, manufacture, storage, marketing and sale of our products require several regulatory approvals, including but not limited to, the authorizations under Factories Act, authorizations by various state pollution control boards, Industrial Entrepreneur’s Memorandum etc. For further details, please see “*Government Approvals*” on page 277. Regulatory requirements with respect to our products and the products of our customers are subject to change. Any adverse change in the laws governing the manufacturing and storage of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. We may be required to alter our manufacturing process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. In the event that we are unable to renew or maintain such statutory permits and approvals or comply with any or all of their applicable terms and conditions or seek waivers or extensions of time for complying with such terms and conditions, our operations may be interrupted, and penalties may be imposed on us by the relevant authorities.

Further, our facility at Daman Unit I is yet to receive the revised consent to establish and consent to operate while our facility at Daman Unit III is yet to receive the consent to operate (increased limit) from the Pollution Control Committee, Daman and Diu and Dadra and Nagar Haveli. Further, our Company has made an application for installation of DG sets at the Roorkee and Vapi Plants and has made applications for renewal of Fire NOC for our Chennai Unit. We cannot assure you that such approvals will be received in a timely manner, or at all. Any delay or failure in obtaining such approvals may have an adverse impact on our operations.

- 5. *There have been instances of non-compliance with certain environmental laws in the past and the terms and conditions of approvals issued under such laws in relation to our manufacturing units located at Daman, Dadra and Nagar Haveli and Daman and Diu (Daman Unit I and Daman Unit III). Any such failure to comply with environmental laws and/or the terms and conditions of approvals issued under such environmental laws and regulations could subject us to penalties and other regulatory actions, impact our ability to obtain or renew such approvals in a timely manner/ at all***

and may also adversely affect our ability to operate our units at Daman and consequently affect our results of operations.

We are subject to environmental, health and safety regulations in the ordinary course of our business. If we fail to comply with such environmental laws and regulations in relation to the operation of our units or if we fail to obtain or renew approvals or comply with the terms and conditions of such approvals under these environmental laws and regulations, we may be subject to imposition of penalties or other consequences including shut down of our manufacturing units. Our Daman Unit I and Daman Unit III have received show cause notices and stop work orders in the past and are parties to litigation initiated by the pollution control board with regard to alleged non-compliances with certain environment regulations. For details, see “*Outstanding Litigation and Material Developments*” beginning on page 270.

Our Daman Unit I and Daman Unit III were subjected to an inspection by Pollution Control Committee (“PCC”) and it was found that the quantity manufactured by Daman Unit I and Daman Unit III were more than the permitted quantity for FY 2016 and FY 2017. Accordingly, the PCC issued certain directions on April 30, 2019 to stop manufacturing activities in these units and imposing penalty. Our Company made the payment of the penalty aggregating to Rs. 11.4 million and contested the direction to stop manufacturing activities in these units. The PCC through letters dated May 29, 2019 (“**Revocation Letter**”) revoked the order to stop manufacturing, subject to compliance with certain conditions therein. However, our Company has manufactured beyond the previously sanctioned limits, without the relevant approval, and in violation of certain terms of the Revocation Letter. Further, our Company had also made an application for environment clearance with regard to Daman Unit I and Daman Unit III, under the amnesty scheme of September 9, 2017, in pursuance of MoEF and CC Notification no. S.O. 804(E) dated March 14, 2017, for capacity expansion related violation for the periods Fiscal 2016 and Fiscal 2017.

Our Company, on June 10, 2021 and on June 11, 2021, received the environment clearance from the Ministry of Environment & Forests, Delhi (“MOEF”), for expansion of manufacturing capacity in relation to Daman Unit I and Daman Unit III, subject to fulfilment of certain conditions and limits stated therein. Our Company has made an application for consent to establish to the Pollution Control Committee, Daman & Diu and Dadra Nagar Haveli on June 4, 2021 and June 7, 2021 for Daman Unit I and Daman Unit III, respectively, for the increased limits. In relation to Daman Unit I, we are yet to receive the consent to establish and therefore we have not made an application for consent to operate as of the date of this draft red herring prospectus. In relation to Daman Unit III, we have received consent to establish on August 6, 2021 and an application for consent to operate (increased limit) was made on August 26, 2021. For further details, see “*Government and Other Approvals*” beginning on page 277. While the receipt of the certain approvals for the increased limits as specified above for Daman Unit I and Daman Unit III are pending, our Company has continued manufacturing beyond the previously sanctioned limits.

While no further actions have been taken in relation to such violations of manufacturing limits and the terms of the Revocation Letter, we may, in the future, be subjected to regulatory actions for such violations including closure of our Daman Unit I and Daman Unit III, imposition of penalties and other penal actions against our Company and key personnel, which may have a negative impact on our business, reputation, results of operations and cash flows. Further, any failure to comply with environmental laws and/or the terms and conditions of approvals issued under such environmental laws and regulations could also impact our ability to obtain or renew the approvals with respect to our manufacturing facilities in a timely manner or at all and may also adversely affect our ability to operate our units and consequently affect our results of operations.

Further, environmental approvals are generally subject to ongoing compliance in the form of monitoring, audit and reporting norms, among others, under central environmental regulations and rules. We cannot assure you that all ongoing compliance or periodic filings which are required to be made in relation to our manufacturing units have been made in a timely manner, or at all. Some of the environmental approvals may not be in place or not applied for or may have expired in the ordinary course of business, for which we have either made applications or are in the process of making applications with the relevant authorities which are pending, as of the date of this Draft Red Herring Prospectus. For details, see “*Government and Other Approvals*” beginning on page 277.

6. A significant portion of our revenue is attributable to export of our products to Asia-Pacific, Middle East, and Africa. Further, our domestic revenue is concentrated in western India.

A significant portion of our revenue is attributable to export of our products. The contribution of export products (including export incentives) to our revenue from operations was ₹1,889.48 million, ₹2,260.11 million, ₹2,921.14 million, and ₹1,605.51 million, representing 20.59%, 25.07%, 26.91% and 36.62% for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021 respectively. As of June 30, 2021, we exported our products to more than 50 countries. The key geographies where we export our products included Asia-Pacific, Middle East, and Africa, which contributed to 95.35%, 94.17%, 94.13% and 94.26% of our revenue from operations from export of our products for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively. Further, we derived 37.64%, 35.97%, 37.59%, and 39.36% of our domestic revenue from operations from western India, for

Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021 respectively. Any unfavourable development in geographies where we export our products or in India (particularly in the western region of India), could have an adverse effect on our business, results of operations, cash flows and financial condition. For example, our revenue may be adversely affected due to unfavourable developments, such as increase in levy of import duties and anti-dumping duties on products manufactured and supplied by us in foreign markets. For further details of risks emanating from currency fluctuations, please see “- *We face foreign exchange fluctuation risks that could adversely affect our results of operations*” on page 30.

7. *We face foreign exchange fluctuation risks that could adversely affect our results of operations.*

Our financial statements are presented in Indian Rupees. However, our expenses to some extent are influenced by the currencies of those countries from where we procure some of our raw materials. We import our major raw materials, Butyl Acrylate Monomer, Styrene Monomer, Vinyl Acetate Monomer from Saudi Arabia, China and South East Asian countries. Further, we generate a significant portion of our sales internationally through export and sales outside of India. Imported raw material contributed to 74.14%, 72.69%, 69.79% and 76.37% of our total purchases (excluding incidental costs) for Fiscals 2019, 2020, 2021 and the three month period ended June 30, 2021, respectively.

Further, our Company has been an exporter of SCEs and PSAs since 2008, and has a global footprint of exports to more than 50 countries, as of June 30, 2021. The contribution of export products (including export incentives) to our revenue from operations was ₹1,889.48 million, ₹2,260.11 million, ₹2921.14 million, and ₹1,605.51 million, representing 20.59%, 25.07%, 26.91% and 36.62% for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021.

These sales, together with a portion of our raw materials expenditure, are denominated in foreign currencies, primarily in U.S. dollars. The exchange rate between the Indian Rupee and these currencies has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future as well. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted, as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Moreover, we expect that our cost of borrowing as well as our cost of imported raw materials, freight costs or any other expenditure incurred by us may rise during a sustained depreciation of the Indian Rupee against the U.S. Dollar. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations, may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and suffer losses on account of foreign currency fluctuations. While our Company maintains a foreign exchange management policy, there is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

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

Our business depends on accurate forecasting of the long-term demand for our products from our customers. While we maintain a reasonable level of inventory of raw materials, work in progress and finished goods, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business. Similarly, an error in our forecast could also result in surplus stock, which may not be sold in a timely manner or at all. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition. We evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, or if our estimation of customer requirements and trends are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations.

For example, on account of the COVID-19 pandemic, we stocked up on our inventory, and consequently, our total inventories of finished goods, stock-in-trade, and work-in-progress, increased from ₹772.03 million as of March 31, 2020, to ₹2,194.52 million as of March 31, 2021 and to ₹2,206.42 million as of June 30, 2021. While typically, our

average holding period on inventories is 30-40 days, the average holding period was between 60-67 days in Fiscal 2021 and three months period ended June 30, 2021. Due to COVID-19 pandemic government had imposed severe restrictions on movement of goods as well as people, during the first half of the Fiscal 2021. During the second half of the year, while the first wave of pandemic was still continuing, the restrictions were lifted by the government in a phased manner. Amid potential risk of another lock-down and to continue to serve high demand from our customers, our Company had temporarily considered to increase the inventory levels. Moreover, in compliance with the Ind AS, the revenue is recognised at a point at which the risk in the goods is passed on to the buyer, accordingly, the delivery-based inventories which were in-transit as at March 31, 2021 and delivered to the customers subsequent to March 2021, have been accounted for in the quarter ended June 30, 2021. Similar treatments have been given in respect of the procurements, which were dispatched from the suppliers' location and the risk in goods have been passed on to the Company on or before June 30, 2021, have been booked as purchases in-transit. Any escalation in such periods, or build-up of inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our average net working capital cycle was 29 days during Fiscal 2019, 32 days during Fiscal 2020, 62 days during Fiscal 2021 and 57 days during the three months period ended on June 30, 2021, and our net working capital (trade receivables plus inventory less trade payables) comprised of ₹521.44 million, ₹1,039.92 million, ₹1,807.52 million, and ₹3,233.09 million, as of March 31, 2019, March 31, 2020, March 31, 2021, and June 30, 2021. Our working capital requirements may also increase if payment terms shift to payments on completion of delivery or otherwise increase our working capital burdens. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a customer defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, growth prospects and results of operations.

9. *The success of our business and operations are dependent upon certain quality accreditations which are valid for a limited time period. An inability to renew such accreditations in a timely manner, or at all, may adversely affect our business and prospects.*

Our various manufacturing facilities are certified to ISO 9001 : 2015, ISO 14001 : 2015, BS OHSAS 18001: 2007 and ISO 45001:2018 standards from TUV NORD CERT GmbH, Responsible Care and AEO (Authorised Economic Operator) certifications, to the extent required. For further details, please see “*Our Business- Manufacturing Facilities*” on page 143. 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. If we fail to comply with the requirements for applicable quality standards, or if we are otherwise unable to obtain or renew such quality accreditations in the future, in a timely manner, or at all, our reputation, business and prospects may be adversely affected.

10. *We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.*

We operate in a highly competitive industrial environment. We expect that competition will continue to intensify both through the entry of new players and consolidation of existing players. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results. 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. Further, our customers operate within the highly competitive packaging, paints, construction, textile and other 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, and constantly exert downward pricing pressure. We may be adversely affected in case our customers are unable to effectively respond to any factors that adversely impact the competitive landscape of our products.

Our ability to compete depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees, the price at which our competitors offer comparable products and the extent of our competitor's responsiveness to customer needs. Our inability to adequately address competitive pressures may have a material adverse effect on our business, prospects, financial condition and results of operations. For further details of our competition, please see “*Our Business – Competition*” and “*Industry Overview – Peer Comparison*” on pages 150 and 129.

11. *We source our raw material from a limited number of suppliers with whom we have short term contracts or no contracts at all. Any increase in the cost of our raw material or other purchases, delay, interruption or reduction*

in the supply of raw materials to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as force majeure events and supply disruptions, international government policies and regulatory sanctions.

Our cost of goods sold was ₹8,004.33 million, ₹7,624.03 million, ₹8,343.22 million, and ₹3,214.49 million for Fiscal 2019, Fiscal 2020, Fiscal 2021, and the three months period ended June 30, 2021. The aforesaid costs constituted 90.31%, 87.64%, 85.97 % and 86.78 % of our total expenses for the aforesaid financial periods, respectively.

Certain of our key raw materials have witnessed volatility in their prices. For example, the cost of Butyl Acrylate Monomer has seen volatility with the prices being ₹99.07 per kg in Fiscal 2019, ₹ 76.40 per kg in Fiscal 2020, ₹86.64 per kg in Fiscal 2021, and ₹154.60 for the three month period ended June 30, 2021. Similarly, the cost of Vinyl Acetate Monomer has seen volatility with the prices being ₹79.51 per kg in Fiscal 2019, ₹ 58.40 per kg in Fiscal 2020, ₹64.04 per kg in Fiscal 2021, and ₹136.24 for the three month period ended June 30, 2021.

Any increase in raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials at the desired prices, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial condition.

Further, we are dependent on a few suppliers, most of whom are situated outside India, for supply of our key raw materials such as Butyl Acrylate Monomer, Vinyl Acetate Monomer and Styrene Monomer, and any disruption in supply would have a material adverse effect on our business, results of operations and financial condition. We imported 74.14%, 72.69%, 69.79% and 76.37% of our total raw material purchased for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three months period ended June 30, 2021. Saudi Arabia, China, Singapore, Switzerland and USA contributed to 26.42%, 16.59%, 12.99%, 4.85% and 4.74% respectively, of our total raw material imports, for Fiscal 2021. Our dependence on a few suppliers may constrain our ability to negotiate our sourcing arrangements, which may have an impact on our profitability and financial performance. We cannot assure you that we will be able to identify other suppliers or find suitable substitutes for these raw materials in the future.

Our top two raw material suppliers for Fiscal 2021 together contributed to 38.49% of our total raw material purchases during such period. Further, we have contractual arrangements with only six suppliers. Out of our total purchases (excluding incidental costs and including traded goods) of ₹ 9,058.47 million and ₹ 2,943.09 during Fiscal 2021 and the three-month ended June 30, 2021, contractual purchases were ₹ 3,278.07 million and ₹ 951.56 million respectively, with the balance being purchased without any contractual arrangements with the respective suppliers. Moreover, the contractual arrangements with the six suppliers are short term in nature and have a validity of six months to two years.

We presently do not have any long-term or exclusive arrangements with any of our suppliers of raw materials and we cannot assure you that we will be able to purchase the quantities at the terms we have historically from such suppliers. Most of our transactions with our suppliers are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our suppliers will renew their arrangements with us on current or similar terms, or at all. While we negotiate product prices and payment terms with our raw material suppliers, in the event our suppliers alter their requirements, it could have a material adverse effect on our business. In addition, our suppliers may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. Termination of any of the above-mentioned arrangements or frequent cancellation of purchase orders could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, any disruptions in sourcing of our raw material could also increase our working capital requirements in case we have to identify substitutes, which may not be available at competitive rates. Any disruption in the supply of the aforesaid raw material may disrupt our manufacturing operations, which may have a material adverse effect on our business, results of operations and financial condition.

12. We are subject to quality requirements and strict technical specifications and audits by our customers. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations.

We develop, manufacture and market a diverse range of SCE and PSA products, which are primarily used as raw materials for host of products of our customers. Further, our customers maintain strict quality standards. Our products go through various quality checks at various stages at our manufacturing facilities. Further, we also rely on certain third party

manufacturers for certain manufacturing processes, and while we have quality control systems in place, there can be no assurance that such quality controls may not be subject to failure. Failure of our products to meet the quality standards expected by our customers may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products. We have in the past faced product liability claims. We do not have product liability insurance to protect us against such claims and any liability incurred pursuant to such claims is required to be funded by the Company. For further details, please see “- *Our insurance coverage may not be sufficient or adequate to protect us against all material hazards or business losses, which may adversely affect our business, results of operations and financial condition*” on page 37.

While we have put in place quality control procedures, we cannot assure that our products will always be able to achieve the quality standards expected by our customers. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Further, any lapses in quality may impact our long-term relationships with customers, which is one of our key strengths. For further details of our customers with whom we have had long term relationship, please see “*Our Business*” on page 131. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, prospectus and results of operations.

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

Our operations generate pollutants and waste, some of which may be hazardous and therefore, we are subject to various 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, disposal of bio-medical waste, storage, transport, handling, disposal, employee exposure to hazardous substances and other aspects of our manufacturing operations. Improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We obtain the requisite registrations and approvals from time to time and aim to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other prescribed safety measures. The occurrence of any such event in the future could have an adverse effect on our business, results of operations, cash flows and financial condition.

In addition, environmental laws and regulations in India have increasingly become more stringent. The scope and extent of the new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. 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, cash flows and prospects.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, maternity leave, 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. If we are unable to remain in compliance with all applicable environmental, health and safety and labour laws, our business, results of operations, cash flows and financial condition may be adversely affected.

14. *We do not have long term contractual arrangements with most of our customers and the loss of them or a reduction in their demand for our products, or any adverse developments in our relationship with our customers, could have an adverse effect on our business, results of operations, cash flows and financial condition.*

We currently do not have long-term contractual arrangements with most of our customers, and conduct business with them on the basis of purchase orders that are placed from time to time. Consequently, there is no commitment on the part of such customers to continue to place new purchase orders with us and as a result, our revenue and consequent cash flow may fluctuate significantly from time to time. The fluctuation in demand for our products may either require us to increase production or decrease production and inventories at short notice, which may result in us bearing additional costs and incurring losses. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement of our services and their ability to pay us, on a timely basis or at all, which could result in a significant decrease in the revenues we derive from them. Our sales to select group of customers may constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Although we do not have significant customer concentration, any loss of such customers or a reduction in the demand for our products or any impact on the business of our customers could also impact our reputation, business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business from our customer base.

Further, we operate in a competitive environment, and our competitors may offer better prices for products that we manufacture, which could lead to a loss of customers, in the absence of exclusivity arrangements.

We also undertake contract manufacturing as per product specifications for various customers who are leading players in the industries in which they operate. As part of our contract manufacturing operations, our customers provide us with the technical assistance, information required, and raw materials for the required products, which are manufactured by our Company based on purchase orders. Our customers may start such manufacturing operations internally and may discontinue the use of our contract manufacturing operations. The loss of our significant customer or a reduction in the amount of business we obtain from such customer could have an adverse effect on our business, results of operations, cash flows and financial condition.

- 15. Some of the raw materials that we use as well as our finished products are hazardous, corrosive and flammable and require expert handling and storage, as applicable. Any accidents may result in loss of property of our Company and/or disruption in the manufacturing processes which may have an adverse effect on our results of operation, cash flows and financial condition. Further, improper storage, processing or handling of raw material and finished goods may result in damage to such raw material or finished goods, which may adversely affect our business prospects, results of operations and financial condition.**

Certain of the raw materials that we use as well as our finished goods are corrosive and flammable and require expert handling and storage, as applicable. Any failure of our control systems, mishandling of hazardous chemicals, leakages, explosion or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process, transportation, handling or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life and property, damage to our and third-party property and, or, environmental damage, require shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability. If any such event were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have an adverse effect on our results of operations, cash flows and financial condition.

We manufacture a wide range of products which are used in interior and exterior paints, Biaxially Oriented PolyPropylene (“BOPP”) tapes and labels, protective films, water proofing compound, cementous water proofing compound, elastomeric / flexible coating carpet back coating, wood adhesive, leather finishing and coating, textile printing and finishing agents. These products have various attendant requirements in relation to storage such as storage in sealed containers in dry conditions, maintaining distance from direct heat, sunlight, dust and moisture, and protections from frost, depending on the nature of the product. Further, certain of our other raw material such as Styrene are required to be stored and handled carefully and under certain safety conditions such as maintaining distance from aerosols, flammables, oxidizing agents, corrosives and from other flammable products, and prevention of release of vapours into the atmosphere.

In the event that the raw materials and finished products are not appropriately stored, handled and transported, the quality of products may be affected. Further, we rely on certain third parties for the transportation of raw materials procured by us and our inability to monitor the transport of the raw materials at each stage may result in deterioration of the quality of our products.

We have, in the past, faced instances where certain of our supplied products have been returned by our customers due to deterioration in quality of goods. Any sale of such products that may be of inferior quality may expose us to liabilities and claims which could adversely affect our brand image and reputation and have a material and adverse effect on our business prospects, results of operations and financial condition.

- 16. There are outstanding litigations involving our Company, Promoter and Directors, and any adverse outcome in any of these proceedings may adversely affect our results of operations and financial condition.**

Our Company, Promoter and our Directors are involved in certain outstanding legal proceedings, which are pending at different levels of adjudication at different fora. Brief details of such outstanding litigation are as follows:

| Type of Proceedings | Number of cases | Amount* (₹ in million) |
|--|---------------------|--|
| Cases against our Company | | |
| Criminal proceedings | 2 | Not quantifiable |
| Actions taken by statutory or regulatory authorities | 11 | 37.81 [@] |
| Claims related to direct and indirect taxes (other than claims by statutory or regulatory authorities) | 2 (Refer to Note 3) | 3.85 (Refer to Note 3) ⁽¹⁾⁽²⁾ |
| Other pending material litigation proceedings | Nil | Nil |
| Total | 15 | 41.66 |

| Type of Proceedings | Number of cases | Amount* (₹ in million) |
|--|-----------------|---------------------------|
| Cases by our Company | | |
| Criminal proceedings | 13 | 49.75 |
| Other pending material proceedings | Nil | Nil |
| Total | 13 | 49.75 |
| Cases against our Subsidiaries | | |
| Criminal proceedings | Nil | Nil |
| Actions taken by statutory or regulatory authorities | Nil | Nil |
| Claims related to direct and indirect taxes | Nil | Nil |
| Other pending material litigation proceedings | Nil | Nil |
| Total | Nil | Nil |
| Cases by our Subsidiaries | | |
| Criminal proceedings | Nil | Nil |
| Other pending material proceedings | Nil | Nil |
| Total | Nil | Nil |
| Cases against our Promoter | | |
| Criminal proceedings | Nil | Nil |
| Actions taken by statutory or regulatory authorities | Nil | Nil |
| Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five financial years. | Nil | Nil |
| Claims related to direct and indirect taxes | 1 | Not quantifiable |
| Other pending material litigation | Nil | Nil |
| Total | 1 | Not quantifiable |
| Cases by our Promoter | | |
| Criminal proceedings | Nil | Nil |
| Other pending material litigation | Nil | Nil |
| Total | Nil | Nil |
| Cases against the Directors | | |
| Criminal proceedings | Nil | Nil |
| Actions taken by statutory or regulatory authorities | Nil | Nil |
| Claims related to direct and indirect taxes | 1 | Not quantifiable |
| Other pending material litigation | Nil | Nil |
| Total | Nil | Nil |
| Cases by the Directors | | |
| Criminal proceedings | Nil | Nil |
| Other pending material litigation | Nil | Nil |
| Total | Nil | Nil |
| Cases against the Group Company | | |
| Pending litigation which has a material impact on our Company | Nil | Nil |
| Total | Nil | Nil |
| Cases by the Group Company | | |
| Pending litigation which has a material impact on our Company | Nil | Nil |

*To the extent quantifiable

⁽¹⁾ Our Company has received intimation under section 143(1) of Income Tax act, 1961, that the department has erred in giving the TDS credit of ₹ 0.38 million reflecting in 26AS. After giving such credit there will be no demand.

⁽²⁾ Apart from these cases, Company has also received one inquiry letter to submit relevant data from Director Revenue Intelligence (DRI) on September 28, 2021, in connection with the non-payment of social welfare surcharge on the imported goods in respect of which basic customs duty was exempt. The amount involved is not quantifiable.

⁽³⁾ Seven claims for ₹ 25.59 million have been disclosed and included under the head 'Actions by statutory or regulatory authorities' on page 272 and have accordingly not been included in this row.

[@] Includes ₹ 8.94 million already paid by our Company pursuant to proceeding initiated and penalty imposed by the Commissioner of Customs, Kandla, against which appeal has been filed by our Company.

For further details, see "Outstanding Litigation and Material Developments" on page 270.

We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoter, and our Directors, as the case may be, or that no further liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our Restated Consolidated Summary Statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition.

17. Our inability to manage the expansion of our products range and manufacturing capacities and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track

the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.

Our inability to manage the expansion of our products range and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion of our product range and manufacturing capacities to pursue existing and potential market opportunities. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to introduce and innovate new products and maintain the quality of our products, general political and economic conditions in the geographies in which we operate, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates.

18. *A shortage or non-availability of electricity or water or an increase their prices may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations, cash flows and financial conditions.*

Our manufacturing facilities require a significant amount and continuous supply of water and electricity or any shortage or non-availability may adversely affect our operations. We source electricity and water for our manufacturing facilities from the relevant private power producers, state departments, industrial estates or diesel generators, pursuant to contractual arrangements entered into with them. For certain manufacturing facilities, ground water is extracted as per approvals of relevant regulatory authorities and diesel generators may also require approval from relevant regulatory authorities depending upon their generation capacity. Our water charges and power and fuel charges were ₹50.53 million, ₹50.31 million, ₹53.92 million, and ₹16.58 million for Fiscal 2019, Fiscal 2020, Fiscal 2021, and the three months period ended June 30, 2021, and constituted 0.57%, 0.58%, 0.56% and 0.45% of our total expenses for the aforesaid financial periods, respectively.

In addition, some of our raw materials have attendant storage requirements, which are supported by continuous supply of electricity. If the supply of electricity and water is not available for any reason, we will need to rely on alternative sources. Although we have diesel generators to meet exigencies at certain of our facilities, we cannot assure you that our facilities will be operational during power failures. Any failure on our part to obtain alternate sources of electricity and water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations, cash flows and financial condition.

19. *We operate our manufacturing facilities on parcels that are held by us on a leasehold as well as a free hold basis.*

We operate our manufacturing facilities on parcels of land that are held by us on a leasehold as well as freehold basis. For details of the period of our leases, please see “*Our Business – Property*” on page 152. We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition. For further details of our properties and duration of leases, please see “*Our Business – Property*” on page 152.

20. *Our operations depend on the availability of timely and cost-efficient transportation and other logistic facilities and any prolonged disruption may adversely affect our business, results of operations, cash flows and financial conditions.*

Our operations depend on the timely transport of raw materials to our manufacturing facilities and of our products to our customers. We use a combination of land and water transport and typically rely on third party transportation providers for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including customs, weather, strikes or civil disruptions. For example, we may experience disruption in the transportation of raw materials by ship due to bad weather conditions. Further, we do not have any long term arrangements with such third parties. Any failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient, reliable and timely manner could have an adverse effect on our business, results of operations, cash flows and financial conditions.

Our outward freight and handling charges increased from ₹168.43 million in Fiscal 2019 to ₹279.87 million in Fiscal 2020, ₹483.40 million in Fiscal 2021 and ₹214.43 million during the three month period ended June 30, 2021 which constituted 1.85%, 3.13%, 4.48% and 4.93% of our revenue from operations (excluding other operating income) in Fiscal 2019, Fiscal 2020, Fiscal 2021 and three month period ended June 30, 2021 respectively.

Further, on account of COVID-19, the availability of shipping containers were severely impacted. Accordingly, freight costs for our exports escalated substantially. For instance, our export freight cost increased to ₹8.44 per kg in the quarter ended June 30, 2021, as compared to ₹5.50 per kg in Fiscal 2021, ₹2.79 per kg in Fiscal 2020 and ₹2.37 per kg in Fiscal 2019.

21. *Information relating to the historical installed capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and our future production and capacity may vary.*

For details of certain information relating to our capacity utilization of all our manufacturing facilities for SCEs and PSAs, calculated on the basis of total installed production capacity and actual production as of/ for the periods, please see “*Our Business – Capacity and Capacity Utilisation*” on 145.

Information relating to the historical installed capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management and an independent chartered engineer, including assumptions relating to expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns as well as expected operational efficiencies. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

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

Our operations are subject to hazards inherent in chemical manufacturing facilities. Our principal types of coverage include property fire policy, stock fire policy and marine insurance. We could be held liable for accidents that occur at our manufacturing facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. As of June 30, 2021, we carried insurance coverage which was 99.58% of the assets of our Company.

Further, we do not have product liability insurance to protect us against claims in relation to the products we supply to our customers, and any liability incurred pursuant to such claims is required to be funded by the Company. 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 expires from time to time and we may not be able to renew our policies in a timely manner, or at acceptable cost.

23. *We are susceptible to potential product liability claims that may not be covered by insurance, which may require substantial expenditure and may adversely affect our reputation and if successful, could require us to pay substantial sums.*

We have to be compliant with regulatory as well as typical customer specific requirements and all our products and manufacturing processes are subject to stringent quality standards and specifications. Our business inherently exposes us to potential product liability claims, and the severity and timing of such claims are unpredictable. While our products are extensively researched before being commercialized and we obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the relevant authorities in connection with the products we manufacture, if we fail to comply with the applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, it may give rise to product liability claims. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management’s time, adversely affect our goodwill and impair the marketability of our products. We have not obtained product liability insurance coverage for any of our product liability claims, and are constrained to fund claims, if any, from our internal accruals. For further details, please see “*Our insurance coverage may not be sufficient or adequate to protect us against all material hazards or business losses, which may adversely affect our business, results of operations and financial condition*” on page 37.

Therefore, any such claim may harm our business and financial condition. Insurance coverage for product liability may become prohibitively expensive in the future. We may also experience a product recall. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation, business, results of operations and financial condition.

24. *Our inability to respond to changing customer preferences in a timely and effective manner, may have an adverse effect on our business, results of operations, cash flows and financial condition.*

The success of our business depends upon our ability to anticipate and identify changes in the preferences of customers and offer them products that they require, on a timely basis. Although we seek to identify such trends and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in such new product segments. In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals and customer acceptance.

We are an innovation led company with a dedicated focus on developing value added products and services, customized to the specific needs of our customers. Our R&D facility houses a team of 27 qualified scientists as of June 30, 2021, which enables us to develop a robust pipeline of specialized products and solutions, which are customized to our customer requirements. We have also invested substantially in our R&D to create and develop our products. Our R&D expenditure accounted for ₹31.94 million, ₹29.62 million, ₹47.43 million, and ₹13.95 million, in Fiscal 2019, 2020 and 2021, and the three month period ended June 30, 2021, respectively. Further, we continually invest in R&D to improve our products and customise solutions for our customers, and there can be no assurance that such investment will yield the desired results or returns. In the event we are unable to meet the customised requirements of customers, or if our R&D does not yield the expected results, it could have an adverse effect on our business, results of operations, cash flows and financial condition

It is often difficult to estimate the time to successful introduce new products and 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 development of such product. If we fail to successfully introduce new products, our business, results of operations, cash flows and financial condition may be adversely affected.

25. *We have incurred significant indebtedness and our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.*

As of September 30, 2021, we had total outstanding borrowings (including current and non-current borrowings) of ₹4,128.56 million (fund and non-fund based). For further details, please refer “*Financial Indebtedness*” on page 267. Many of our financing agreements include conditions and restrictive covenants, including the requirement that we obtain consent from or intimate our respective lenders prior to carrying out certain activities and entering into certain transactions including, among others, effecting any change in our Company’s capital structure, carrying out or entering into any amalgamation, consolidation, demerger, merger, restructuring, reorganization, corporate reconstruction by our Company, amending our Company’s memorandum of association or articles of association and investing by way of share capital or lending or advancing funds to or placing deposits with any other concerns except in normal course of our business. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions.

Further, a breach of any of the covenants, or a failure to pay interest or indebtedness when due, under this or any of our other financing arrangements, could result in a variety of adverse consequences, including the termination of one or more of our credit facilities, levy of penal interest, the enforcement of any security provided, acceleration of all amounts due under such facilities, right to appoint nominee on our Board and cross-defaults under certain of our other financing agreements, any of which may adversely affect our business, results of operations and financial condition. Our Company had defaulted in repayment of term loan in 2009, availed from Central Bank of India in 2007, pursuant to which the Central Bank of India issued a revised sanction letter dated July 8, 2009, restructuring the repayment on certain terms and conditions. The Central Bank of India vide its letter dated July 8, 2014, allowed our Company to satisfy the charge amounting to ₹153 million to which it had no objection.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. We cannot assure you that we will comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital

requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit ratings, financial condition, results of operations and cash flows.

Our Promoter has provided personal guarantees in relation to certain of our loan facilities and may continue to provide such guarantees after the listing of the Equity Shares pursuant to the Offer. In the event that any of these guarantees are revoked or invoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities, as applicable. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result, may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all. Any such failure to raise additional capital could adversely affect our operations and our financial condition. For further details, see “*Financial Indebtedness*” on page 267.

26. *We have incurred significant capital expenditure in the past and will continue to incur significant capital expenditure in the future, and such expenditure may not yield the benefits we anticipate.*

We may incur significant capital expenditure in the coming future in the ordinary course of business, which is typical to our industry. Our total capital expenditure including capital work in progress and capital advances, if any, for Fiscal 2019, Fiscal 2020, Fiscal 2021, and the three months period ended June 30, 2021, was ₹46.61 million, ₹167.28 million, ₹586.71 million and ₹125.26 million, respectively, which was incurred primarily towards addition of installed capacities at our manufacturing facilities at Mundra, Chennai and Roorkee. There can be no assurance that the necessary clearances to materialise such capital expenditure will be received in a timely manner, or at all.

Our capital expenditure plans are subject to a number of variables, including possible cost overruns; accidents, construction and development delays or defects; construction being affected by adverse weather conditions; satisfactory and timely performance by construction contractors; receipt of any governmental or regulatory approvals and permits; political risk; availability of financing on acceptable terms; and changes in management’s views of the desirability of current plans, among others. We may also require additional financing in order to expand and upgrade our existing facilities as well as to construct new facilities. However, we cannot assure you that our operations will be able to generate cash flows sufficient to cover such costs. Further, financing required for such investments may not be available to us on acceptable terms, or at all, and we may be restricted by the terms and conditions of our existing or future financing agreements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could significantly affect financial measures such as our earnings per share. If we decide to raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted.

Further, any inability to obtain sufficient financing could result in the delay, reduction or abandoning of our development and expansion plans. As a result, if adequate capital is not available, there could be an adverse effect on our business and results of operations. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes, weather- related delays and technological changes.

Consequently, we cannot assure you that any expansion or improvement of our existing manufacturing facility or setting up of multi-purpose facility, will be completed as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays in the implementation of our expansion plans or if there are significant cost overruns, the overall benefit of such plans to our revenues and profitability may decline. If the expenditure that we incur does not produce anticipated or desired results, our profitability, cash flows and financial condition will be adversely affected.

27. *Any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on our cash flows, results of operations and financial condition.*

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk from our operating activities, primarily from trade receivables. Our total trade receivables as of March 31, 2019, March 31, 2020, March 31, 2021, and June 30, 2021, were ₹1,388.05 million, ₹1,564.19 million, ₹2,828.22 million and ₹2,810.11 million, respectively, which were 15.13%, 17.35%, 26.05%, and 16.02 (annualised)% of our revenue from operations for the respective financial periods.

We have, in the past, written off certain trade receivables on account of non-payment of dues. For details of write offs, please see “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page 237. Any default or delays in payment of receivables by our customers may have adverse effect on cash flows, results of operations and financial condition.

28. *We have certain contingent liabilities, which, if materialized, may affect our financial condition and results of operations.*

Our contingent liabilities as per Ind AS 37 as of June 30, 2021 were as follows:

(₹ in million)

| Matter | As of June 30, 2021 |
|--|---------------------|
| Custom Duty | 16.66 |
| Bank Guarantee | 6.94 |
| Capital Commitments | |
| Estimated value of contracts for property, plant and equipment remaining to be executed and not provided for (net of capital advances) | 41.81 |
| Uncalled amount on account of member's interest in Dura Jesons LLC | 0.37 |
| Total | 65.78 |

For further details of the contingent liabilities and commitments of our Company as on June 30, 2021, see “*Restated Consolidated Summary Statements - Contingent Liability and Commitments*” on page 220.

If a significant portion of these liabilities materialize, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

29. *We have had negative cash flows in the past, and it is possible that we may experience negative cash flows in the future.*

We have had negative cash flows in the past, and it is possible that we may experience negative cash flows in the future. The table below sets forth selected information from our statements of cash flows extracted from our Restated Consolidated Summary Statements for the periods indicated below.

(in ₹ million)

| Particulars | Three months ended June 30, 2021 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|--|----------------------------------|---------------|-----------------|---------------|
| Net cash flows generated from/(used in) operating activities | (742.00) | 432.27 | (307.31) | 836.60 |
| Net cash flows generated from/(used in) investing activities | (108.38) | (594.42) | (260.19) | (46.48) |
| Net cash flows generated from/(used in) financing activities | 714.57 | 296.50 | 347.36 | (498.65) |
| Net increase/(decrease) in cash and cash equivalents | (135.81) | 134.35 | (220.14) | 291.47 |

30. *Our Statutory Auditor has included certain emphasis of matters in our Restated Consolidated Summary Statements. Further, our Statutory Auditors have commented upon certain matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") in the financial statements of our Company.*

Our Statutory Auditor has included emphasis of matters in its examination report on our Restated Consolidated Summary Statements for the Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, in relation to assessments made by us on our operations, financial performance and position for the aforesaid financial periods on account of COVID-19. While no adjustments or modifications have been made to the Restated Consolidated Summary Statements, we will continue to closely monitor any material changes to future economic conditions, a definitive assessment of the impact of COVID-19 in the subsequent period is dependent upon the circumstances as they evolve. For further details, please see “*Financial Statements*” on page 182.

Further, our Statutory Auditors have commented upon certain matters included in the CARO 2016 Order in the standalone audited financial statements of our Company for Fiscal 2019, Fiscal 2020 and Fiscal 2021, which do not require any corrective adjustments to our Restated Consolidated Summary Statements. The comments state that the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities

though there has been a slight delay in a few cases. Such delay relates to amounts aggregating to ₹0.27 million, ₹1.21 million, ₹0.16 million and ₹1.04 million for Fiscals 2019, 2020, 2021 and the three month period ended June 30, 2021, respectively. For further details, please see “*Financial Statements*” on page 182.

31. *If we are unable to manage and implement our growth strategy effectively, our business and prospects may be adversely affected. Further, our historical performance may not be indicative of our future performance and we may not be able to sustain the same rate of historical growth.*

The primary elements of our business strategy are to continue to expand our production capacities, focus on developing and improving our product portfolio and improve our financial performance through focus on operational efficiencies. However, our growth strategies may strain our managerial, operational, financial and other resources. If we are unable to manage our growth strategy effectively, our business, results of operations, cash flows, and financial condition may be adversely affected. Further, any change in government policies and regulations including any ban imposed on a particular product by the respective governments, or any duties, pre-conditions or ban imposed by countries from where we source certain raw materials may have an adverse impact on our operations.

We cannot assure you that our future product development initiatives will be successful, or that our newly developed or improvised products will achieve wide market acceptance from our customers. Further, we cannot assure you that our existing or potential competitors will not develop products that are similar or superior to our products. It is often difficult to estimate the time to market new products and 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 development of such product. If we fail in our product launching efforts, our business, prospects, financial condition, results of operations, and cash flows may be materially and adversely affected.

The success of our business depends greatly on our ability to manage our resources efficiently and effectively implement our business strategy. While we have experienced significant growth in the recent past, we cannot assure you that we will be able to maintain the same rate of growth and financial performance in the future.

For further details of our historical performance, please see “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page 237.

32. *We are entitled to certain tax benefits at our manufacturing facility at Mundra, Gujarat, which is located in an SEZ. We cannot assure you that we will continue to be eligible to receive such tax benefits in the future.*

We are entitled to certain tax benefits at our manufacturing facility at Mundra, Gujarat, which is located in an SEZ. The Mundra facility is situated at APSEZ, which provides various tax benefits for exports, such as exemptions from profit and gains, additional depreciation, duty free imports inward supply of goods without levy of GST, exemption from state taxes and electricity duty. In order for us to be eligible for such tax benefits, we have to comply with certain attendant conditions prescribed under SEZ Act, Income tax Act, 1961, Customs Act, 1962 and the GST Act. We cannot assure you that we will continue to be eligible to receive such tax benefits in the future. Any inability to avail such tax benefits could have an adverse effect on our growth strategy, and financial performance. For further details, please see “*Statement of Special Tax Benefits*” on page 90.

33. *Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations.*

Seasonality may adversely affect our business and results of operations. In particular, the paint emulsion used in decorative paints industry is sensitive to seasonality, with our revenues recorded during the months of June to August being relatively lower as compared to other periods due to the monsoon season. During the monsoons, construction and housing activity is curtailed and we may continue to incur operating expenses, but our revenue from the sale of our products may be delayed or reduced. In addition, unusually cold and rainy weather could have an adverse effect on sales of our emulsion used exterior paint products. As a result of such fluctuations, our sales and results of operations may vary by fiscal quarter, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance. In addition, products of our customers may be used in cyclical industries, which may also be subject to changes in general economic conditions, such as construction and housing. Certain of our customers may sell a significant portion of our products to the construction and housing industry. The level of construction activity in local and national markets is inherently cyclical, being influenced by a wide variety of factors including national and regional economic circumstances, governments’ ability to fund infrastructure projects, consumer sentiment and other factors beyond our control. As a result, any adverse developments in such industries could adversely affect our business and results of operations.

Similar variations may also result from shifting of major festivals from one month to another in successive years, which may adversely affect our manufacturing and sales volumes in a given period compared to the similar period of the preceding year, and could therefore have an impact on our comparative results of operations during the relevant period.

34. *Our intellectual property rights may not be adequately protected against third party infringement.*

We have 19 registered trademarks. Further, one of our brands, namely Polytex, is not registered as a trademark. We have also applied for registration of two patents in India for RDP and its preparation process, and a long acting biocidal composition and its preparation process. Further, our Company has applied for 43 new trademarks, and our Subsidiary, Jesons Techno Polymers LLP has applied for 4 new trademarks, in India. The applications are currently under review and pending grant. We may not be able to protect our intellectual property rights against third party infringement and any unauthorized use of our intellectual property including our brand on products which are not manufactured by us and which are of inferior quality, and which may adversely affect our brand value and consequently our business. 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. Further, entities in India could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand names, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. In addition, any adverse experience of customers of such third-party products, or negative publicity attracted by such third-party products could adversely affect our reputation, brand and business. The proliferation of unauthorized copies of our products, and the time and attention lost to defending claims and complaints about spurious products, could decrease our revenue and have an adverse effect on our reputation, goodwill and results of operations.

We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks and brands under which we sell our products. If we inadvertently infringe on the patents of others, we may be subjected to legal action. Any such claim could adversely affect our relationship with existing or potential 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.

35. *Our management team and human resources are critical to our continued success and the loss of such personnel could adversely affect our business.*

Our success significantly depends upon the continued service of our management team and human resources who we believe are necessary to successfully lead the development of our business. Our ability to retain and attract qualified individuals is critical to our success. Our overall attrition rate in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021 was 26.88%, 27.23%, 19.48% and 5.21% , respectively. Competition for individuals with specialized knowledge and experience is intense in our industry. 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. For details of changes in our key management personnel, please see "Our Management" on page 165.

36. *Our business prospects and continued growth depends on our ability to access financing at competitive rates and competitive terms, which amongst other factors is dependent on our credit rating. Any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.*

Our business depends on our ability to obtain funds at competitive rates. The cost and availability of capital, amongst other factors, is also dependent on our current and future results of operations and financial condition, our ability to effectively manage risks, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to have favourable results of operations. We had been last rated by CRISIL Ratings Limited for our Fund based - long term borrowing as CRISIL A-Stable and for our Non-Fund based - short term borrowing as CRISIL A2+. Such rating is valid till March 2022. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade made to our credit ratings could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

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

We enter into confidentiality agreements and non-disclosure agreements with our customers for whom we undertake manufacturing. As per these agreements, we are required to keep confidential, the know-how and technical specifications provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers by us or our employees, these customers may terminate their engagements with us and/or initiate litigation for breach of contract, seeking damages and compensation from us. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have an adverse effect on our business, financial

condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

38. *We may be affected by strikes, work stoppages or increased wage demands by our employees that could interfere with our operations.*

As at June 30, 2021, we had 601 employees, in addition to contractual labour. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. We cannot assure you that our relations with our employees shall remain cordial at all times and that employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruption may adversely affect our manufacturing operations either by increasing our cost of production or halt a portion or all of our production.

39. *We engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

We generate a minor portion of our revenues from customers in countries subject to international sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or equivalent sanctions regimes administered by Her Majesty's Treasury, the European Union, the United Nations or other relevant sanctions authorities (collectively, "**International Sanctions**"). Such customers are located in countries such as Syria, Libya and Iran. For Fiscals 2019, 2020, 2021 and the three month period ended June 30, 2021, 0.2%, 0.4%, 0.2% and 0.3% of our revenue from operations was attributable to customers located in such countries, respectively.

In addition, we have limited information about and control over the ultimate identity of our end-users and there can be no assurance that our past or future customers have not been included or will not include persons or entities targeted by, or were not or will not be located in any country that is the subject of International Sanctions.

There can be no assurance that our business will not be impacted by such International Sanctions in the future, particularly if there are changes to, or more stringent application of, the International Sanctions, or if we make changes to our operations or introduce new products, which may also appeal to customers subject to or based in countries subject to such International Sanctions. In addition, as a result of our business activities or a change in the scope or application of International Sanctions, our counterparties, including our vendors and suppliers, or our other customers, that are required to comply with such International Sanctions, may seek to terminate or modify our contractual arrangements to impose additional conditions that may adversely affect our operations or business prospects, or may be precluded from entering into commercial transactions with us.

Investors in the Equity Shares could incur reputational or other risks as a result of our business dealings with customers in or with persons that are the subject of International Sanctions. In addition, because many sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in some of our business activities being subject to sanctions or being sanctionable.

Future changes in International Sanctions may also require us to discontinue existing operations, or prevent us from doing business, in jurisdictions subject to such International Sanctions, which could have a material adverse effect on our financial condition and results of operations, including as a result of disputes arising from the termination of our existing contractual arrangements.

40. *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 godown stocking. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. 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.

41. *Changes in technology may render our current technologies obsolete or require us to incur substantial capital expenditure.*

Our industry rapidly changes due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and significant price competition. Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become less competitive or even obsolete due to advancement in technology or changes in

market demand, which may require us to incur substantial capital expenditure. If we cannot make enhancements to our technology to remain competitive, for any reason, our competitive position, and in turn our business, results of operations and financial condition may be adversely affected.

42. *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. 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. Although we have not experienced any significant disruptions to, or security breaches of, our information technology systems, we cannot assure you that we will not encounter such disruptions in the future and any such disruptions or security breaches could have an adverse effect on our business and reputation.

43. *We engage contract labour for carrying out certain functions of our business operations. Any default on payments to them by the agencies could lead to disruption of the manufacturing facilities and our business operations.*

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

44. *As our business grows, we may need additional capital or financing in the future to support our growth strategies. If we are unable to raise additional capital or financing, our business, results of operations and financial condition could be adversely affected.*

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. Our total capital expenditure including capital work in progress and capital advances, if any, for Fiscal 2019, Fiscal 2020, Fiscal 2021, and the three months period ended June 30, 2021, was ₹46.61 million, ₹167.28 million, ₹586.71 million and ₹125.26 million, respectively, which was incurred primarily towards addition of installed capacities at our manufacturing facilities at Mundra, Chennai and Roorkee. Further, our total borrowings for Fiscal 2019, Fiscal 2020, Fiscal 2021, and the three months period ended June 30, 2021, was ₹7.08 million, ₹454.75 million, ₹782.35 million and ₹1,528.30 million, respectively, which have increased primarily due to import payments. . We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash in hand, cash flow from operations and our fund based and non-fund based working capital limits to be adequate to fund our existing commitments, our ability to incur any future borrowings, including non-fund based limits, is dependent upon the success of our operations. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and laws that are conducive to our raising capital in this manner. Any unfavourable change to terms of borrowings may adversely affect our ability to import raw materials and our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants and may have to grant security interests over certain of our assets. If we are unable to raise adequate capital, including through non fund based limits, in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected.

45. *Financial information in relation to our Associate used for preparation of our Restated Consolidated Summary Statements, as included in this Draft Red Herring Prospectus, has not been audited.*

Financial information in relation to our Associate, which is a foreign entity and also our Group Company, used for preparation of our Restated Consolidated Summary Statements, has not been audited for Fiscals 2019, 2020, 2021, and three month period ended June 30, 2021, and has been based on the management accounts as furnished by the management of the Associate, as they are not required to be audited as per local applicable legislation.

Our Associate reflects net assets of ₹1.09 million, ₹0.53 million, ₹2.51 million and ₹2.32 million for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively. Furthermore, our Associate

reflects a revenue of ₹0.50 million, ₹1.76 million, ₹1.83 million and ₹1.83 million for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively. Please see “*Financial Statements*” on page 182.

While we do not regard the revenue, net profit/loss or net worth of the unaudited financial information of such associate to be material, we may face risks associated with such financial information not being verified by an independent third party. If such financial information had been audited, adjustments and modifications may have arisen during the course of audit process, which could have resulted in differences compared to that unaudited financial information which were furnished and relied on for preparation of our Restated Consolidated Summary Statements. Please also see “*Our Group Company*” on page 179 for further details.

46. *We have in the past entered into related party transactions and will continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.*

We have in the past entered into transactions with certain of our related parties and are likely to do so in the future. For details, see “*Related Party Transactions*” on page 236. While all such transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have obtained more favourable terms had such transactions been entered into with unrelated parties. 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 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.

47. *Our Promoter and certain of our Directors may be interested in our Company other than remuneration and reimbursement of expenses.*

Our Promoter 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 arising therefrom. 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 Promoter and Directors believe that they act in the benefit and best interest of the Company, there can be an assurance of continuing the same. For details, see “*Our Promoter and Promoter Group*”, “*Our Management*” and see “*Restated Consolidated Summary Statements – Related Party Transactions*” on pages 177, 165, 221, respectively.

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

As on the date of this Draft Red Herring Prospectus, our Promoter holds 46,387,200 Equity Shares representing 86.53% of the issued, subscribed and paid-up equity share capital of our Company. By virtue of its shareholding, our Promoter will have the ability to exercise significant influence over our Company and our affairs and business, including the election of our Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger, amalgamation or sale of our assets and the approval of most other actions requiring the approval of our Shareholders. The interests of our Promoter may be different from or conflict with the interests of our other Shareholders.

49. *Certain sections of this Draft Red Herring Prospectus contain information from Frost & Sullivan 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.*

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the F&S Report or extracts of the F&S Report prepared by Frost & Sullivan, which is not related to our Company, Directors or Promoter. We exclusively 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 F&S Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the F&S Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S 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 F&S 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 F&S Report before making any investment decision regarding the Offer.

50. *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, see “*Dividend Policy*” on page 181.

Additionally, the Finance Act, 2020 (“**Finance Act**”) provides, amongst 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 (“**DDT**”), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to 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.

51. *We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.*

This Draft Red Herring Prospectus includes our EBIT, EBITDA, PAT, NWC, ROCE, ROE, ROA, EBITDA Margin, PAT Margin, EPS, Debt to Equity, Fixed Assets Turnover, and CAGR and others (collectively “**Non-GAAP Measures**”), which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation, or as a substitute for financial information presented in Restated Consolidated Summary Statements, as prepared in accordance with Ind AS. There are significant limitations to using Non-GAAP Measures as measures of performance, including the lack of comparability of results of operations of different companies and different methods of calculating Non-GAAP Measures reported by different companies.

52. *Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.*

We propose to utilize the Net Proceeds towards repayment/ prepayment, in full or part, of certain borrowings availed of by our Company and our Subsidiary, Jesons Techno Polymers LLP, and general corporate purposes. For further details of the proposed objects of the Offer, see “*Objects of the Offer*” beginning on page 78. However, these objects of the Offer have not been appraised by any bank, financial institution or other independent agency. Further, 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. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. We will appoint a monitoring agency for monitoring the utilisation of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoter or controlling shareholders, if applicable, would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Offer, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter or controlling shareholders, if applicable, to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoter or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter

or the controlling shareholders of our Company if applicable, will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

53. *Our Company will not receive any proceeds from the Offer for Sale. The Promoter Selling Shareholder is selling Equity Shares in the Offer for Sale and will receive proceeds as part of the Offer for Sale.*

The Offer includes an Offer for Sale of Equity Shares by the Promoter Selling Shareholder. The proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholder, and we will not receive any such proceeds. For further details, see "*Objects of the Offer*" and "*Capital Structure*" beginning on pages 78 and 68, respectively.

External Risk Factors

RISKS RELATED TO INDIA

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

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy as well as the economies of the regional markets in which we operate. Further, the following illustrative external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to trade barriers have led to increased incidents of social unrest in India over which we have no control;
- instability in other countries and adverse changes in geopolitical situations;
- civil unrest, local agitation, acts of violence, terrorist attacks, regional conflicts or situations or war;
- India has experienced epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years; and
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's, and from BBB- with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB with a "negative" outlook to BBB (low) with a "stable" outlook by DBRS in May 2021. India's sovereign ratings from S&P is BBB- with a "stable" outlook in May 2021. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a

change of government tax or fiscal policy, which are outside our control. Such events may adversely affect our business and results of operations as well as the trading price of the Equity Shares.

56. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. Given the recent implementation of GAAR, there can be no assurances as to the manner in which this tax regime will be implemented, which could create uncertainty.
- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.
- A draft of the Personal Data Protection Bill, 2019 was introduced before the Lok Sabha on December 11, 2019. 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.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including with regard to labour, foreign investment, stamp duty, customs duty and anti-dumping duty 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. 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 application, 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 business or restrict our ability to grow our businesses in the future.

57. *Investors may not be able to enforce a judgment of a foreign court against our Company outside India.*

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

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, Hong Kong and United Arab Emirates. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore, Hong Kong and United Arab Emirates, among others, have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect

view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. 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 favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages on the same basis and to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice or public policy. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

58. *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.*

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval 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. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 324.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

59. *Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.*

The Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus have been derived from audited consolidated financial statements and restated in accordance with SEBI ICDR Regulations and Guidance Note on Report in Company Prospectuses (Revised), issued by the Institute of Chartered Accountants in India and are based on Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Consolidated Summary Statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the

reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

60. *Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions.

RISKS RELATED TO THE OFFER AND THE EQUITY SHARES

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

The Offer Price of the Equity Shares will be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and through the Book Building Process. This price is based on numerous factors, as described under "*Basis for Offer Price*" beginning on page 87 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

62. *After the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the 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 has been 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.

63. *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 Takeover Regulations.

64. *You may not purchase Equity Shares in the Offer if you are outside India unless you receive a copy of the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the international wrap attached to it.*

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. 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. In order to ensure compliance with Regulation S, each purchaser of the Equity Shares in the Offer who has not received a copy of the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, shall be deemed to make the representations, warranties, agreements and undertakings set forth in “*Other Regulatory and Statutory Disclosures-Eligibility and Transfer Restrictions*” on page 290. Do not submit a bid for Equity Shares in the Offer if you are unable to make the representations, warranties, agreements and undertakings set forth therein. As set forth therein, each purchaser of the Equity Shares in the Offer agrees to indemnify and hold our Company, the Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) 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 those representations, warranties or agreements.

65. *You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.*

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or in the industry we operate in.

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

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

67. Any future issuance of Equity Shares, or stock options, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or stock options, or convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, and adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter or Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares.

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

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to 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 voting 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 offer 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. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are 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.

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

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

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

| | |
|---|---|
| Offer of Equity Shares^{(1)^} | Up to [●] Equity Shares, aggregating up to ₹ [●] million |
| <i>of which:</i> | |
| Fresh Issue^{(1)^} | Up to [●] Equity Shares, aggregating up to ₹ 1,200 million |
| Offer for Sale⁽²⁾ | Up to 12,157,000 Equity Shares, aggregating up to ₹ [●] million by the Promoter Selling Shareholder |
| | |
| <i>which includes</i> | |
| Employee Reservation Portion⁽³⁾⁽⁴⁾ | Up to 77,000 Equity Shares, aggregating up to ₹ [●] million |
| Net Offer | Up to [●] Equity Shares, aggregating up to ₹ [●] million |
| | |
| The Net Offer[^] comprises of: | |
| A) QIB Portion⁽⁵⁾⁽⁶⁾ | Not more than [●] Equity Shares |
| <i>of which:</i> | |
| (i) Anchor Investor Portion⁽⁵⁾ | Up to [●] Equity Shares |
| <i>of which</i> | |
| Available for allocation to domestic Mutual Funds only | At least [●] Equity Shares |
| (ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares |
| <i>of which:</i> | |
| (a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | At least [●] Equity Shares |
| (b) Balance for all QIBs including Mutual Funds | [●] Equity Shares |
| B) Non-Institutional Portion | Not less than [●] Equity Shares |
| C) Retail Portion⁽⁷⁾ | Not less than [●] Equity Shares |
| | |
| Pre and post-Offer Equity Shares | |
| Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus) | 53,611,200 Equity Shares |
| | |
| Equity Shares outstanding post the Offer | [●] Equity Shares |
| | |
| Use of Net Proceeds | See “Objects of the Offer” on page 78 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale. |

[^]Our Company may, in consultation with the BRLMs, consider undertaking a Pre – IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Net Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue.

- (1) The Offer has been authorized by a resolution of our Board dated October 19, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated November 6, 2021.
- (2) The Equity Shares being offered by the Promoter Selling Shareholder are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations and have been held by the Promoter Selling Shareholder for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. The Promoter Selling Shareholder has, approved participation in the Offer for Sale as set out below.

| Name of the Promoter Selling Shareholder | Number of Equity Shares offered in the Offer for Sale | Date of consent letter |
|--|---|------------------------|
| Dhires Shashikant Gosalia | Up to 12,157,000 | November 18, 2021 |

For further details, see “Other Regulatory and Statutory Disclosures” on page 287.

- (3) Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Offer.
- (4) Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.

- (5) *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see “Offer Procedure” on page 307.*
- (6) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of an under-subscription in the Offer, (i) the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale.*
- (7) *Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details, see “Offer Procedure” on page 307.*

For further details, including in relation to grounds for rejection of Bids, refer to “Offer Structure “and “Offer Procedure” on pages 304 and 307, respectively. For further details of the terms of the Offer, see “Terms of the Offer” on page 298.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of our financial information derived from the Restated Consolidated Summary Statements as at and for the three month period ended June 30, 2021 and as at and for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019.

The summary financial information presented below should be read in conjunction with “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 182 and 237, respectively.

Restated Consolidated Statement of Assets and Liabilities

(all amounts are in ₹ million, unless otherwise stated)

| Particulars | As at June 30, 2021 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|--|------------------------|-------------------------|-------------------------|-------------------------|
| I. ASSETS | | | | |
| (1) Non-current assets | | | | |
| (a) Property, plant and equipment | 500.28 | 480.71 | 506.42 | 545.65 |
| (b) Right of use assets | 247.94 | 251.97 | 249.24 | 107.54 |
| (c) Capital work in progress | 775.38 | 663.30 | 88.64 | 0.53 |
| (d) Other Intangible assets | 1.81 | 1.90 | 2.41 | 2.74 |
| (e) Financial assets | | | | |
| (i) Investments | 1.44 | 1.54 | - | 0.48 |
| (ii) Loans | 0.49 | 0.64 | 0.96 | 1.06 |
| (iii) Other financial assets | 20.39 | 18.73 | 17.17 | 15.90 |
| (f) Non-current tax assets (net) | 2.11 | 2.03 | 0.56 | 3.76 |
| (g) Other non-current assets | 9.15 | 30.71 | 55.66 | 1.36 |
| Total Non-current assets | 1,558.99 | 1,451.53 | 921.06 | 679.02 |
| (2) Current assets | | | | |
| (a) Inventories | 2,206.42 | 2,194.52 | 772.03 | 774.35 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 2,810.11 | 2,828.22 | 1,564.19 | 1,388.05 |
| (ii) Cash and cash equivalents | 80.15 | 215.96 | 81.61 | 301.75 |
| (iii) Bank balances other than (ii) above | 7.78 | 15.70 | 0.01 | 0.35 |
| (iv) Loans | 0.65 | 0.33 | 1.75 | 0.14 |
| (v) Other financial assets | 52.35 | 66.22 | 89.36 | 9.92 |
| (c) Other current assets | 316.40 | 246.00 | 260.12 | 106.15 |
| Total Current assets | 5,473.86 | 5,566.95 | 2,769.07 | 2,580.71 |
| Total Assets | 7,032.85 | 7,018.48 | 3,690.13 | 3,259.73 |
| II. EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity share capital | 89.35 | 89.35 | 89.35 | 89.35 |
| (b) Other equity | 3,082.19 | 2,539.02 | 1,599.85 | 1,338.13 |
| Equity attributable to owners of the Company | 3,171.54 | 2,628.37 | 1,689.20 | 1,427.48 |
| (c) Non-controlling interest | 3.80 | 48.91 | 34.73 | - |
| Total Equity | 3,175.34 | 2,677.28 | 1,723.93 | 1,427.48 |
| Liabilities | | | | |
| (1) Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 358.40 | 367.35 | 1.07 | 2.40 |
| (ii) Lease liabilities | 113.21 | 113.44 | 99.97 | 67.72 |
| (iii) Other financial liability | 5.13 | - | - | - |
| (b) Provisions | 14.32 | 8.21 | - | - |
| (c) Deferred tax liabilities (net) | 4.94 | 5.62 | 18.99 | 32.96 |
| Total Non-current liabilities | 496.00 | 494.62 | 120.03 | 103.08 |
| (2) Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 1,169.90 | 415.00 | 453.68 | 4.68 |
| (ii) Lease liabilities | 7.21 | 10.82 | 12.00 | 2.47 |
| (iii) Trade payables | | | | |
| (A) Total outstanding dues of micro enterprise and small enterprises | 9.95 | 26.73 | 11.80 | 2.16 |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,773.49 | 3,188.65 | 1,284.84 | 1,638.80 |

| Particulars | As at June 30, 2021 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| (iv) Other financial liabilities | 195.45 | 76.67 | 50.40 | 47.78 |
| (b) Other current liabilities | 44.38 | 30.73 | 19.47 | 11.38 |
| (c) Provisions | 12.04 | 14.61 | 5.93 | 3.30 |
| (d) Current tax liabilities (net) | 149.09 | 83.37 | 8.05 | 18.60 |
| Total Current liabilities | 3,361.51 | 3,846.58 | 1,846.17 | 1,729.17 |
| Total Liabilities | 3,857.51 | 4,341.20 | 1,966.20 | 1,832.25 |
| | | | | |
| Total Equity and Liabilities | 7,032.85 | 7,018.48 | 3,690.13 | 3,259.73 |

Restated Consolidated Statement of Profit and Loss

| Particulars | For the three months period ended June 30, 2021 | For the year ended March 31, | | |
|---|---|------------------------------|-----------------|-----------------|
| | | 2021 | 2020 | 2019 |
| Income | | | | |
| I. Revenue from operations | 4,384.28 | 10,857.17 | 9,013.71 | 9,176.94 |
| II. Other income | 53.79 | 108.32 | 73.69 | 60.38 |
| III. Total income (I + II) | 4,438.07 | 10,965.49 | 9,087.40 | 9,237.32 |
| IV. Expenses | | | | |
| Cost of material consumed | 2,927.32 | 7,432.90 | 6,663.32 | 7,036.54 |
| Purchase of stock-in-trade | 333.70 | 1,140.20 | 933.82 | 1,006.24 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | (46.53) | (229.88) | 26.89 | (38.45) |
| Employee benefit expense | 98.42 | 334.90 | 287.94 | 264.44 |
| Finance costs | 38.17 | 60.11 | 84.52 | 97.19 |
| Depreciation and amortisation expense | 18.92 | 75.45 | 76.42 | 68.11 |
| Other expenses | 334.13 | 890.82 | 626.82 | 429.43 |
| Total expenses (IV) | 3,704.13 | 9,704.50 | 8,699.73 | 8,863.50 |
| V. Profit before tax (III - IV) | 733.94 | 1,260.99 | 387.67 | 373.82 |
| VI. Tax expense | | | | |
| Current tax | 191.80 | 345.24 | 104.21 | 131.65 |
| Deferred tax | (0.68) | (13.37) | (14.27) | (5.47) |
| Total tax expense (VI) | 191.12 | 331.87 | 89.94 | 126.18 |
| VII. Profit before share of loss of equity accounted investee (V - VI) | 542.82 | 929.12 | 297.73 | 247.64 |
| VIII. Share of net (loss) of associate accounted using equity method | (0.11) | (0.31) | (1.26) | (0.13) |
| IX. Profit for the period/year (VII - VIII) | 542.71 | 928.81 | 296.47 | 247.51 |
| X. Other Comprehensive Income/(loss) ("OCI") | | | | |
| <i>Items that will not be reclassified to the Statement of Profit and Loss</i> | | | | |
| (a) Re-measurement (losses) on defined benefit plans [Refer Note 37.2(v)] | (0.83) | (2.28) | (3.14) | (0.86) |
| (b) Tax on above | 0.19 | 0.57 | 0.78 | 0.30 |
| Total other comprehensive income/(loss) for the period/year (net of tax) (X) | (0.64) | (1.71) | (2.36) | (0.56) |
| XI. Total comprehensive income for the period/year (IX - X) | 542.07 | 927.10 | 294.11 | 246.95 |
| Earnings per share (EPS) - Basic and diluted (in ₹) (Face value ₹ 5 each) (EPS for period April 2021 to June 2021 is not annualised)* | 10.13 | 17.55 | 5.51 | 4.62 |

* After share split and bonus issue.

Restated Consolidated Statement of Cash Flows

(all amounts are in ₹ million, unless otherwise stated)

| Particulars | For the three months period ended June 30, 2021 | For the year ended March 31, | | |
|--|---|------------------------------|-----------------|-----------------|
| | | 2021 | 2020 | 2019 |
| A. Cash flow from operating activities | | | | |
| Profit before tax | 733.94 | 1,260.99 | 387.67 | 373.82 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 18.92 | 75.45 | 76.42 | 68.11 |
| Interest income on financial assets | (0.45) | (8.21) | (12.14) | (5.41) |
| Interest on lease liability | 2.84 | 10.48 | 8.23 | 1.77 |
| Other finance costs | 35.33 | 45.65 | 76.29 | 95.42 |
| Unrealised exchange gain | 14.43 | (24.85) | 5.80 | (35.95) |
| Provision for doubtful debts & advances | (2.27) | 24.93 | 2.62 | 0.34 |
| Unwinding of prepaid expense to rent expense | 0.08 | 0.30 | 0.30 | 0.23 |
| Loss/(Profit) on sale of property, plant and equipment (Net) | (0.27) | 0.05 | (0.03) | 0.19 |
| Operating profit before working capital changes | 802.55 | 1,384.79 | 545.16 | 498.52 |
| Changes in working capital | | | | |
| (Increase)/ decrease in inventories | (11.91) | (1,422.55) | 2.15 | (86.81) |
| (Increase)/ decrease in trade receivables | (0.79) | (1,276.07) | (153.60) | 19.86 |
| (Increase)/ decrease in financial assets | 11.29 | 24.56 | (80.40) | 14.27 |
| (Increase)/ decrease in other assets | (70.58) | 13.24 | (154.30) | 35.63 |
| Increase/ (decrease) in trade payables | (1,430.33) | 1,929.16 | (368.24) | 489.32 |
| Increase/ (decrease) in other current financial liabilities | 67.38 | 24.31 | 4.96 | 16.84 |
| Increase/ (decrease) in provisions and other current liabilities | 16.38 | 25.63 | 7.66 | 1.90 |
| Cash generated from/ (used in) operations | (616.01) | 703.07 | (196.61) | 989.53 |
| Income tax paid | (125.99) | (270.80) | (110.70) | (152.93) |
| Net cash generated from/ (used in) operating activities (A) | (742.00) | 432.27 | (307.31) | 836.60 |
| B. Cash flow from Investing activities | | | | |
| Acquisition of property plant and equipment including movement in capital work-in-progress, capital advances and creditors | (117.93) | (587.60) | (272.86) | (48.42) |
| Proceeds from sale/ disposal of property, plant and equipment | (0.36) | 1.61 | 0.14 | 2.33 |
| Investment in Associate | - | (1.85) | (0.74) | - |
| Net proceeds / (application) of fixed deposits | 7.88 | (15.69) | 0.34 | (0.34) |
| Net proceeds / (application) from other non-current assets | 0.67 | 0.90 | 0.79 | (5.46) |
| Interest received | 0.64 | 8.21 | 12.14 | 5.41 |
| Net cash used in investing activities (B) | (108.38) | (594.42) | (260.19) | (46.48) |
| C. Cash flow from Financing activities | | | | |
| Repayment of long term borrowings | (8.95) | - | (4.68) | (101.71) |
| Proceeds from long term borrowings | - | 413.50 | - | 3.51 |
| Proceeds from Partners' Capital | - | 26.25 | 33.75 | - |
| Proceeds/(Repayment) of short-term borrowings (net) | 759.11 | (83.10) | 440.24 | (302.71) |
| Payment of dividend and dividend distribution taxes | - | - | (32.30) | - |
| Non-current other financial liability (fixed deposit) | 2.83 | - | - | - |
| Payment of lease liabilities | (6.70) | (14.50) | (13.36) | (2.32) |
| Finance costs | (31.72) | (45.65) | (76.29) | (95.42) |
| Net cash generated from/ (used in) financing activities (C) | 714.57 | 296.50 | 347.36 | (498.65) |

| Particulars | For the three months period ended June 30, 2021 | For the year ended March 31, | | |
|--|---|------------------------------|-----------------|---------------|
| | | 2021 | 2020 | 2019 |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | (135.81) | 134.35 | (220.14) | 291.47 |
| Cash and cash equivalents at the beginning of the period / year | 215.96 | 81.61 | 301.75 | 10.28 |
| Cash and cash equivalents at the end of the period / year | 80.15 | 215.96 | 81.61 | 301.75 |
| Cash and cash equivalents comprise (Refer note 16) | | | | |
| Balances with banks | | | | |
| On current accounts | 64.16 | 203.75 | 81.20 | 13.65 |
| Fixed deposits with original maturity less than 3 months | 15.56 | 11.98 | - | 287.97 |
| Cash on hand | 0.43 | 0.23 | 0.41 | 0.13 |
| Total cash and cash equivalents at end of the period / year | 80.15 | 215.96 | 81.61 | 301.75 |

GENERAL INFORMATION

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated October 12, 1999, issued by the RoC, and subsequently received a certificate for commencement of business from the RoC dated December 27, 1999. For further details in relation to change in Registered Office of our Company, see “*History and Certain Corporate Matters*” on page 158.

Registered and Corporate Office

Jesons Industries Limited

904, Peninsula Tower No.1,
Ganpat Rao Kadam Marg,
Lower Parel (West),
Mumbai 400013
Maharashtra, India

Corporate identity number and registration number

Corporate Identity Number: U24295MH1999PLC122193

Registration Number: 122193

Address of the RoC

Our Company is registered with the Registrar of Companies situated at the following address:

Registrar of Companies

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

Our Board

Our Board comprises the following Directors as on the date of filing of this Draft Red Herring Prospectus:

| Name | Designation | DIN | Address |
|---------------------------|--------------------------------|----------|--|
| Dhires Shashikant Gosalia | Chairman and Managing Director | 00217158 | 131, 13 th Floor, Spenta Towers, Gowalia Tank, 55/57, Forjett Street, Mumbai – 400036, Maharashtra |
| Madhavi Dhires Gosalia | Executive Director | 00217199 | 131, 13 th Floor, Spenta Towers, Gowalia Tank, 55/57, Forjett Street, Mumbai – 400036 Maharashtra |
| Raju Vinod Palvia | Whole-time Director | 06538252 | Shramdan Bldg. 209/11, 3 rd Floor, Opp. Sion Hospital, Sion (E), Mumbai- 400022, Maharashtra |
| Shreyas Mahendra Patel | Independent Director | 00112370 | 12, Mount Unique, 62-A, Peddar Road, Mumbai - 400 026 |
| Amitabh Verma | Independent Director | 07082285 | 404-A, Dosti Florentine, Dosti Acers, SM Road, Antop Hill Bus Depot, Wadala East, Mumbai – 400037, Maharashtra |
| Deeti Ojha | Independent Director | 09322280 | S 227, 2 nd Floor, Greater Kailash Part-2, South Delhi, New Delhi - 110048 |

For brief profiles and further details of our Directors, see “*Our Management*” on page 165.

Company Secretary and Compliance Officer

Kushal Vasantbhai Gala
904, Peninsula Tower No.1,
Ganpat Rao Kadam Marg,
Lower Parel (West),
Mumbai – 400013,
Maharashtra, India
Tel: +(91) 22 66515288
E-mail: cs@jesons.net

Investor Grievances

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

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, 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 RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs 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

JM Financial Limited

7th Floor, Cnergy

Appasaheb Marathe Marg

Prabhadevi, Mumbai – 400 025

Tel: (+91 22) 6630 3030; (+91 22) 6630 3262

Fax: (+91 22) 6630 3330

Email: jesons.ipo@jmfl.com

Investor Grievance Email: grievance.ibd@jmfl.com

Website: www.jmfl.com

Contact Person: Prachee Dhuri

SEBI Registration No.: INM000010361

Axis Capital Limited

1st floor, Axis House,

C-2 Wadia International Centre,

P.B. Marg, Worli

Mumbai 400 025

Tel.: +91 22 4325 2183

E-mail: jesons.ipo@axiscap.in

Investor Grievance ID: complaint@axiscap.in

Website: www.axiscapital.co.in

Contact Person: Pratik Pednekar

SEBI Registration No.: INM000012029

Inter-se allocation of responsibilities among the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

| Sr. No. | Activity | Responsibility | Co-ordinator |
|---------|--|-----------------------|--------------|
| 1. | Due diligence of Company including its operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities | JM Financial and Axis | JM Financial |
| 2. | Capital structuring with relative components and formalities such as type of instruments, etc. | JM Financial and Axis | JM Financial |
| 3. | Drafting and approval of all statutory advertisements | JM Financial and Axis | JM Financial |
| 4. | Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI | JM Financial and Axis | Axis |
| 5. | Appointment of intermediaries - Registrar to the Offer, advertising agency, printer, Sponsor Bank, monitoring agency, banker to the offer, share escrow agent, etc (including coordination of all agreements) | JM Financial and Axis | Axis |
| 6. | Preparation of road show presentation and FAQs | JM Financial and Axis | JM Financial |
| 7. | International institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> Marketing strategy Finalising the list and division of international investors for one-to-one meetings Finalising international road show and investor meeting schedules | JM Financial and Axis | JM Financial |
| 8. | Domestic institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> Marketing Strategy Finalising the list and division of domestic investors for one-to-one meetings Finalising domestic road show and investor meeting schedules | JM Financial and Axis | Axis |
| 9. | Conduct non-institutional marketing of the Offer | JM Financial and Axis | JM Financial |
| 10. | Conduct retail marketing of the Offer, which will cover, inter-alia: <ul style="list-style-type: none"> Finalising media, marketing, public relations strategy and publicity budget, frequently asked questions at retail road shows Finalising brokerage, collection centres Finalising centres for holding conferences for brokers etc. Follow-up on distribution of publicity and Offer material including form, RHP/ Prospectus and deciding on the quantum of the Offer material | JM Financial and Axis | Axis |
| 11. | Coordination with Stock Exchanges for Anchor coordination, Anchor CAN and intimation of anchor allocation, book building software, bidding terminals and mock trading and deposit of 1% security deposit with the designated stock exchange | JM Financial and Axis | Axis |
| 12. | Managing the book and finalization of pricing in consultation with Company and Selling Shareholder | JM Financial and Axis | JM Financial |
| 13. | Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholder and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer | JM Financial and Axis | Axis |

Syndicate Members

[•]

Legal Counsel to our Company and Promoter Selling Shareholder as to Indian law

Trilegal

Peninsula Business Park
17th Floor, Tower B,
Ganpat Rao Kadam Marg,
Lower Parel (West),
Mumbai 400 013
Tel: +(91) 22 4079 1000

Legal Counsel to the BRLMs as to Indian law

J. Sagar Associates

Sandstone Crest
Sushant Lok Phase 1
Gurgaon 122 009, India
Tel: +91 124 439 0600

Special International Legal Counsel to the BRLMs

Duane Morris & Selvam LLP

16 Collyer Quay, #17-00
Singapore 049318
Tel: +65 6311 0030

Statutory Auditors to our Company

M S K A & Associates

Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar, Goregaon (E)
Mumbai 400063, Maharashtra, India
Email: ankushagrawal@mska.in
Tel: +91 22 68311600
Firm registration number: 105047W
Peer review number: 013267

Changes in the auditors

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

Registrar to the Offer

Link Intime India Private Limited

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

Banker(s) to the Offer

Escrow Collection Bank

[•]

Public Offer Bank

[•]

Refund Bank

[•]

Sponsor Bank

[•]

Banker(s) to our Company

Axis Bank Limited

Corporate Banking Branch, 12 Mittal Tower, A Wing, First Floor, Nariman Point, Mumbai – 400021

Tel No: 022 22895266

Website: www.axisbank.com

Contact Person: Santosh Kumar Bajpai

Email: cbbmumbaibranchhead.axisbank.com

CIN: L65110GJ1993PLC020769

DBS Bank India Limited

Ground Floor, Express Tower, Nariman Point, Mumbai 400 021

Tel No: +(91) 22 6629 7470

Website: www.dbs.com/india

Contact Person: Mr. Anand Desai / Mr. Sapan Adukia

Email: ananddesai@dbs.com, sapanadukia@dbs.com

CIN: U65999DL2018FLC329236

HDFC Bank Limited

Unit No. 501 & 502, 5th Floor, Tower B, Peninsula Business Park, Lower Parel, Mumbai – 400 013.

Tel No: 022 3395 8605

Website: https://www.hdfcbank.com

Contact Person: Ms. Neelam Laddha

Email: neelam.laddha@hdfcbank.com

CIN: L65920MH1994PLC080618

ICICI Bank Limited

ICICI Bank Ltd.-Mumbai - ICICI Tower Branch, Bandra-Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051

Tel No: +91 88792 80114

Website: www.icicibank.com

Contact Person: Neha Jain

Email: jain.neha@icicibank.com

CIN: L65190GJ1994PLC021012

IDFC FIRST Bank Limited

KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai – 600031, Tamil Nadu

Tel No: +914445644000

Website: www.idfcfirstbank.com

Contact Person: Mr. Navneet Agarwal

Email: secretarial@idfcfirstbank.com

CIN: L65110TN2014PLC097792

RBL Bank Limited

RBL Bank Ltd, One World Center, Tower 2B, 6th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013. India.

Tel No: +91 9820853237

Website: www.rblbank.com

Contact Person: Kalpesh Maheshwari

Email: Kalpesh.maheshwari@rblbank.com

CIN: L65191PN1943PLC007308

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs 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, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from

time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

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

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com>, as updated from time to time.

RTAs

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 <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and <https://www.nseindia.com/products/consent/equities/ipo/asba-procedures.htm>, as updated from time to time.

Collecting Depository Participants

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

Experts

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

Our Company has received written consent dated November 19, 2021 from M S K A & Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated October 19, 2021 relating to the Restated Consolidated Summary Statements; and (ii) their statement of special tax benefits dated November 19, 2021 in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated November 19, 2021 from D M K H & 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 accountants 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.

Our Company has received written consent dated November 12, 2021 and November 10, 2021 from IAAN Consultantss, Chartered Engineers and Anand Kumar Jain, Chartered Engineers, respectively, 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 chartered engineer 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.

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus. For further details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Offer*” on page 78.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

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

Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of the Offer Documents

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

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

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions [●] of [●] an English national daily newspaper, [●] editions of [●] a Hindi national daily newspaper and [●] edition of the Marathi newspaper (Marathi being the regional language of Maharashtra where our Registered and Corporate 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 on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs after the Bid/Offer Closing Date. For further details, see “*Offer Procedure*” on page 307.

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 SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) 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 Non-Institutional Bidders 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 Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors,

Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

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

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

For further details on the method and procedure for Bidding, see “Offer Structure” and “Offer Procedure” on pages 304 and 307, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Terms of the Offer” and “Offer Procedure” on pages 298 and 307, respectively.

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 Promoter Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

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

(This portion has been intentionally left blank and will be 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 above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board / IPO Committee, will at its meeting accept and enter 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 filing 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)

| | | Aggregate nominal value | Aggregate value at Offer Price ⁽¹⁾ |
|---|---|-------------------------|---|
| A | AUTHORIZED SHARE CAPITAL | | |
| | 80,000,000 Equity Shares of face value ₹5 each | 400,000,000 | - |
| B | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER | | |
| | 53,611,200 Equity Shares of face value ₹5 each | 268,056,000 | - |
| C | PRESENT OFFER | | |
| | Offer of up to [●] Equity Shares of face value ₹5 each ⁽¹⁾⁽²⁾ | [●] | [●] |
| | <i>Of which</i> | | |
| | Fresh Issue of up to [●] Equity Shares of face value ₹5 each aggregating up to ₹ 1,200 million ⁽¹⁾⁽⁴⁾ | [●] | [●] |
| | Offer for Sale of up to 12,157,000 Equity Shares of face value ₹5 each aggregating up to ₹ [●] million ⁽³⁾ | [●] | [●] |
| | <i>Which includes</i> | | |
| | Employee Reservation Portion of up to 77,000 Equity Shares aggregating up to ₹ [●] million ⁽⁵⁾ | [●] | [●] |
| | Net Offer of up to [●] Equity Shares | [●] | [●] |
| D | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER⁽¹⁾ | | |
| | [●] Equity Shares of face value ₹5 each | [●] | - |
| E | SHARE PREMIUM ACCOUNT | | |
| | Before the Offer | Nil | |
| | After the Offer ⁽¹⁾ | [●] | |

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

(2) The Offer has been authorised by our Board pursuant to its resolution dated October 19, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated November 6, 2021.

(3) The Promoter Selling Shareholder confirms that the Equity Shares being offered by him are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For further details of authorizations received for the Offer, see “Other Regulatory and Statutory Disclosures” on page 287.

(4) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, aggregating up to ₹ 240 million. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue.

(5) Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital.

For details of changes to our Company’s authorised share capital in the last 10 years, see “History and Certain Corporate Matters” on page 158.

Notes to the Capital Structure

1. Share capital history of our Company:

(a) 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 | Face value (₹) | Issue price per equity share (₹) | Nature of consideration | Reasons/nature of allotment | Cumulative no. of equity shares | Cumulative paid-up equity share capital (in ₹) |
|---|-------------------------|----------------|----------------------------------|-------------------------|--|---------------------------------|--|
| October 12, 1999 | 700 | 100 | 100 | Cash | Subscription to the MOA upon incorporation of our Company ⁽¹⁾ | 700 | 70,000 |
| June 22, 2000 | 95,000 | 100 | 100 | Cash | Preferential allotment ⁽²⁾ | 95,700 | 9,570,000 |
| August 30, 2000 | 55,000 | 100 | 100 | Cash | Rights issue ⁽³⁾ | 150,700 | 15,070,000 |
| March 31, 2002 | 48,000 | 100 | 100 | Cash | Rights issue ⁽⁴⁾ | 198,700 | 19,870,000 |
| January 27, 2003 | 200,000 | 100 | 100 | Cash | Rights issue ⁽⁵⁾ | 398,700 | 39,870,000 |
| March 31, 2004 | 300,000 | 100 | 100 | Cash | Preferential allotment ⁽⁶⁾ | 698,700 | 69,870,000 |
| March 15, 2005 | 80,000 | 100 | 100 | Cash | Preferential allotment ⁽⁷⁾ | 778,700 | 77,870,000 |
| March 1, 2008 | 114,820 | 100 | Not applicable | Other than cash | Pursuant to Slump Sale Agreement ⁽⁸⁾ | 893,520 | 89,352,000 |
| Pursuant to a resolution of our Board dated August 2, 2021 and Shareholders' resolution dated August 20, 2021, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 893,520 equity shares of face value of ₹ 100 each was sub-divided into 17,870,400 equity shares of face value of ₹ 5 each. | | | | | | | |
| September 16, 2021 | 35,740,800 | 5 | Not applicable | Not applicable | Bonus issue ⁽⁹⁾ | 53,611,200 | 268,056,000 |

(1) List of allottees who were allotted equity shares pursuant to initial subscription to the MoA is as follows:

| Sr. No. | Name of the allottee | Number of equity shares allotted |
|---------|----------------------------|----------------------------------|
| 1. | Dhiresh Shashikant Gosalia | 100 |
| 2. | Madhavi Dhiresh Gosalia | 100 |
| 3. | Usha Shashikant Gosalia | 100 |
| 4. | Hemal M. Kampani | 100 |
| 5. | Kiran V. Daftary | 100 |
| 6. | Dr. Rajeesh D. Mody | 100 |
| 7. | Madhusudan R. Mehta | 100 |

(2) List of allottees who were allotted equity shares is as follows:

| Sr. No. | Name of the allottee | Number of equity shares allotted |
|---------|----------------------------|----------------------------------|
| 1. | Dhiresh Shashikant Gosalia | 25,000 |
| 2. | Madhavi Dhiresh Gosalia | 15,000 |
| 3. | Usha Shashikant Gosalia | 5,000 |
| 4. | Jhelum Dhiresh Gosalia | 25,000 |
| 5. | Ravina Gaurav Shah | 25,000 |

(3) Pursuant to a rights issue in the ratio of 250 equity shares for every 100 equity shares held as on August 7, 2000, list of allottees who were allotted equity shares is as follows:

| Sr. No. | Name of the allottee | Number of equity shares allotted |
|---------|----------------------------|----------------------------------|
| 1. | Dhiresh Shashikant Gosalia | 10,000 |
| 2. | Madhavi Dhiresh Gosalia | 35,000 |
| 3. | Usha Shashikant Gosalia | 10,000 |

(4) Pursuant to a rights issue in the ratio of 150 equity shares for every 100 equity shares held as on January 21, 2002, 48,000 equity shares were allotted to Dhiresh Shashikant Gosalia.

(5) Pursuant to a rights issue in the ratio of 245 equity shares for every 100 equity shares held as on January 21, 2003, 200,000 equity shares were allotted to Dhiresh Shashikant Gosalia.

(6) List of allottees who were allotted equity shares is as follows:

| Sr. No. | Name of the allottee | Number of equity shares allotted |
|---------|----------------------------|----------------------------------|
| 1. | Dhiresh Shashikant Gosalia | 130,000 |
| 2. | Jesons Corporation* | 170,000 |

*Owing to Jesons Corporation being a partnership firm, the registered owner of these shares was Dhiresh Shashikant Gosalia, its partner, for the benefit of the partnership firm.

(7) List of allottees who were allotted equity shares is as follows:

| Sr. No. | Name of the allottee | Number of equity shares allotted |
|---------|----------------------------|----------------------------------|
| 1. | Dhiresh Shashikant Gosalia | 50,000 |
| 2. | Madhavi Dhiresh Gosalia | 20,000 |
| 3. | Usha Shashikant Gosalia | 10,000 |

(8) Pursuant to the Slump Sale Agreement, of the total consideration of ₹39.50 million, a sum of ₹11.48 million was payable by our Company by way of issue of shares of our Company to the partners of Jesons Corporation, being Dhiresh Shashikant Gosalia and Usha Shashikant Gosalia. Accordingly, 75,324 equity shares of face value of ₹100 each were allotted to Dhiresh Shashikant Gosalia and 39,496 equity shares of face value of ₹100 each were allotted to Usha Shashikant Gosalia.

(9) 35,740,800 Equity Shares were allotted to existing shareholders of our Company pursuant to a bonus issue in the ratio of two new Equity Shares for each existing Equity Share held as on August 28, 2021, through capitalization of the eligible reserves.

(b) Preference Share capital

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

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

Our Company has not issued equity shares for consideration other than cash or out of revaluation of reserves at any time since incorporation, except as set out below:

| Date of allotment of equity shares | Number of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of Allotment | Nature of consideration | Benefits accrued to our Company |
|------------------------------------|----------------------------------|---------------------------------|----------------------------------|-----------------------------------|-------------------------|---|
| March 1, 2008 | 114,820 | 100* | Not applicable | Pursuant to Slump Sale Agreement* | Other than cash* | As per the terms of the Slump Sale Agreement, our Company acquired all rights, title, interest, ownership in the business of manufacturing of synthetic adhesive, vinyl acetate and acrylic emulsion from Jesons Corporation. |
| September 16, 2021 | 35,740,800 | 5 | Not applicable | Bonus issue** | Not applicable | - |

*Pursuant to the Slump Sale Agreement, of the total consideration of ₹39.50 million, a sum of ₹11.48 million was payable by our Company to Jesons Corporation by way of issue of shares of our Company in favour of the partners of Jesons Corporation, being Dhiresh Shashikant Gosalia and Usha Shashikant Gosalia. Accordingly, 75,324 equity shares of face value of ₹100 each were allotted to Dhiresh Shashikant Gosalia and 39,496 equity shares of face value of ₹100 each were allotted to Usha Shashikant Gosalia. For more details, please see "History and other Corporate Matters" on page 158.

**35,740,800 Equity Shares were allotted to existing shareholders of our Company pursuant to a bonus issue in the ratio of two new Equity Shares for each existing Equity Share held, through capitalization of permitted reserves.

3. Allotment of shares pursuant to schemes of arrangement

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

4. Issue of Equity Shares under employee stock option schemes

As on the date of this Draft Red Herring Prospectus, our Company has not made any issuance of Equity Shares under ESOP 2021.

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

Our Company has not issued any equity shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

6. Shareholding pattern of our Company

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

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid up equity shares held (IV) | Number of Partly paid-up equity shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held = (IV)+(V)+(VI) (VII) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (X) | Number of Voting Rights held in each class of securities (IX) | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) (X) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | |
|--------------|--------------------------------|------------------------------|---|---|--|---|--|---|--------------------|-------------------|---|--|----------------------------------|------------|---|------------|---|---------------------------------|
| | | | | | | | | Class e.g.: Equity Shares | Class e.g.: Others | Total | | | Total as a % of (A+B+C) | Number (a) | As a % of total Shares held (b) | Number (a) | | As a % of total Shares held (b) |
| (A) | Promoter and Promoter Group | 7 | 53,611,200 | 0 | 0 | 53,611,200 | 100% | 53,611,200 | - | 53,611,200 | 100% | - | - | - | - | - | - | 53,611,200 |
| (B) | Public | - | - | 0 | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 7 | 53,611,200 | 0 | 0 | 53,611,200 | 100% | 53,611,200 | - | 53,611,200 | 100% | - | - | - | - | - | - | 53,611,200 |

7. Other details of Shareholding of our Company

- a) As on the date of this Draft Red Herring Prospectus, our Company has seven Shareholders.
- b) Set forth below is a list of shareholders holding 1% or more of the paid-up equity share capital of the Company, on a fully diluted basis, as on the date of this Draft Red Herring Prospectus:

| S. No. | Name of the shareholder | No. of equity shares of face value of ₹5 each | Percentage of the pre-Offer equity share capital as on the date of this Draft Red Herring Prospectus (%) |
|--------------|---------------------------|---|--|
| 1. | Dhires Shashikant Gosalia | 46,387,200 | 86.53% |
| 2. | Madhavi Dhires Gosalia | 4,206,000 | 7.85% |
| 3. | Ravina Gaurav Shah | 1,500,000 | 2.80% |
| 4. | Jhelum Dhires Gosalia | 1,500,000 | 2.80% |
| Total | | 53,593,200 | 99.97% |

- c) Set forth below is a list of shareholders holding 1% or more of the paid-up equity share capital of the Company, on a fully diluted basis, as of 10 days prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of the shareholder | No. of equity shares of face value of ₹5 each | Percentage of the pre-Offer equity share capital 10 days prior to the date of this Draft Red Herring Prospectus (%) |
|--------------|---------------------------|---|---|
| 1. | Dhires Shashikant Gosalia | 46,387,200 | 86.53% |
| 2. | Madhavi Dhires Gosalia | 4,206,000 | 7.85% |
| 3. | Ravina Gaurav Shah | 1,500,000 | 2.80% |
| 4. | Jhelum Dhires Gosalia | 1,500,000 | 2.80% |
| Total | | 53,593,200 | 99.97% |

- d) Set forth below is a list of shareholders holding 1% or more of the paid-up equity share capital of the Company, on a fully diluted basis, as of one year prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of the shareholder | No. of equity shares of face value of ₹100 each | Percentage of the pre-Offer equity share capital one year prior to the date of this Draft Red Herring Prospectus (%) |
|--------------|---------------------------|---|--|
| 1. | Dhires Shashikant Gosalia | 798,020 | 89.31% |
| 2. | Madhavi Dhires Gosalia | 70,100 | 7.85% |
| 3. | Ravina Gaurav Shah | 25,000 | 2.80% |
| Total | | 893,120 | 99.96% |

- e) Set forth below is a list of shareholders holding 1% or more of the paid-up equity share capital of the Company, on a fully diluted basis, as of two years prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of the shareholder | No. of equity shares of face value of ₹100 each | Percentage of the pre-Offer equity share capital two years prior to the date of this Draft Red Herring Prospectus (%) |
|--------------|---------------------------|---|---|
| 1. | Dhires Shashikant Gosalia | 798,020 | 89.31% |
| 2. | Madhavi Dhires Gosalia | 70,100 | 7.85% |
| 3. | Ravina Gaurav Shah | 25,000 | 2.80% |
| Total | | 893,120 | 99.96% |

8. Details of Shareholding of our Directors and Key Managerial Personnel in our Company

Except as disclosed in “*Our Management – Shareholding of Directors in our Company*” on page 169, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company.

9. Details of Shareholding of our Promoter, members of the Promoter Group in our Company

As on the date of this Draft Red Herring Prospectus, our Promoter, Dhires Shashikant Gosalia, holds 46,387,200 Equity Shares, equivalent to 86.53% of the issued, subscribed and paid-up equity share capital of our Company.

The build-up of the equity shareholding of our Promoter since incorporation of our Company is set forth in the table below.

| Date of allotment/transfer and made fully paid up | No. of equity shares | Face value (₹) | Issue/Acquisition/Sale price per equity share (₹) | Nature of Transaction | Nature of consideration | % of the pre-Offer share capital | % of the post-Offer share capital |
|--|------------------------|----------------|---|--|--|----------------------------------|-----------------------------------|
| October 12, 1999 | 100 | 100 | 100 | Subscription to the MOA upon incorporation of our Company | Cash | 0.01% | [●] |
| June 22, 2000 | 25,000 | 100 | 100 | Preferential allotment | Cash | 2.80% | [●] |
| August 30, 2000 | 10,000 | 100 | 100 | Rights Issue | Cash | 1.12% | [●] |
| March 31, 2002 | 48,000 | 100 | 100 | Rights Issue | Cash | 5.37% | [●] |
| January 27, 2003 | 200,000 | 100 | 100 | Rights Issue | Cash | 22.38% | [●] |
| March 31, 2004 | 130,000 | 100 | 100 | Preferential allotment | Cash | 14.55% | [●] |
| March 15, 2005 | 50,000 | 100 | 100 | Preferential allotment | Cash | 5.60% | [●] |
| March 1, 2008 | 75,324 | 100 | Not applicable | Pursuant to Slump Sale Agreement | Other than cash | 8.43% | [●] |
| March 31, 2012 | 170,000 ⁽¹⁾ | 100 | Not applicable | Transfer from Jesons Corporation ⁽²⁾ | Settlement of partners' account of Jesons Corporation ⁽²⁾ | 19.03% | [●] |
| March 20, 2014 | 25,000 | 100 | Not applicable | Gift from Jhelum Dhires Gosalia | Not applicable | 2.80% | [●] |
| January 6, 2016 | 64,596 | 100 | Not applicable | Gift from Usha Shashikant Gosalia | Not applicable | 7.23% | [●] |
| February 12, 2016 | (17,000) | 100 | Not applicable | Transfer to Usha Shashikant Gosalia ⁽³⁾ | Settlement of partners' account of Jesons Corporation ⁽³⁾ | (1.90%) | [●] |
| February 12, 2016 | 17,000 | 100 | Not applicable | Gift from Usha Shashikant Gosalia | Not applicable | 1.90% | [●] |
| Pursuant to a resolution of our Board dated August 2, 2021 and Shareholders' resolution dated August 20, 2021, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 893,520 equity shares of face value of ₹ 100 each was sub-divided into 17,870,400 Equity Shares of face value of ₹ 5 each. Pursuant to the sub-division, our Promoter consequently held 15,960,400 Equity Shares of face value of ₹ 5 each. | | | | | | | |
| September 16, 2021 | 31,920,800 | 5 | Not applicable | Pursuant to bonus issuance of Equity Shares ⁽⁴⁾ | Not applicable | 59.54% | [●] |
| October 13, 2021 | (1,494,000) | 5 | Not applicable | Gift to Jhelum Dhires Gosalia | Not applicable | (2.79%) | [●] |
| Total | 46,387,200 | | | | | 86.53% | [●] |

(1) The beneficial interest in these shares was held by Jesons Corporation.

(2) Upon settlement of partners' account of Jesons Corporation, the equity shares registered with Dhires Shashikant Gosalia, its partner, for the benefit of the partnership firm, were transferred to Dhires Shashikant Gosalia.

(3) Upon settlement of partners' account of Jesons Corporation, all the equity shares held were transferred to Dhires Shashikant Gosalia. Of these, Usha Shashikant Gosalia's entitlement to the equity shares were subsequently transferred from Dhires Shashikant Gosalia to Usha Shashikant Gosalia.

(4) Equity Shares were allotted to existing shareholders of our Company pursuant to a bonus issue in the ratio of two new Equity Shares for each existing Equity Share held as on August 28, 2021, through capitalization of the eligible reserves.

None of the Equity Shares held by our Promoter are subject to any pledge as on the date of this Draft Red Herring Prospectus.

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment of such Equity Shares.

The entire shareholding of our Promoter and members of the Promoter Group is in dematerialised form as of the date of this Draft Red Herring Prospectus.

Except as disclosed below, the members of the Promoter Group (other than our Promoter) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus:

| S No. | Name of shareholder | Pre-Offer equity share capital | |
|-------|--------------------------|--------------------------------|--|
| | | Number of Equity Shares | Percentage of total pre-Offer paid up Equity Share capital (%) |
| 1. | Madhavi Dhires Gosalia | 4,206,000 | 7.85% |
| 2. | Ravina Gaurav Shah | 1,500,000 | 2.80% |
| 3. | Jhelum Dhires Gosalia | 1,500,000 | 2.80% |
| 4. | Usha Shashikant Gosalia | 6,000 | 0.01% |
| 5. | Madhuri Madhusudan Mehta | 6,000 | 0.01% |

| S No. | Name of shareholder | Pre-Offer equity share capital | |
|-------|---------------------|--------------------------------|--|
| | | Number of Equity Shares | Percentage of total pre-Offer paid up Equity Share capital (%) |
| 6. | Parul Rajesh Mody | 6,000 | 0.01% |
| | Total | 7,224,000 | 13.48% |

10. Details of Promoter's contribution and lock-in

- a) Pursuant to Regulations 14 and 16 (1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoter, 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 Promoter in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment, as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. Under Regulation 16 of the SEBI ICDR Regulations, "capital expenditure" includes civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc. For details of objects of the Offer, see "Objects of the Offer" at page 78.
- b) 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 of the Promoter | Number of Equity Shares locked-in | Date of allotment of Equity Shares and when made fully paid-up | Nature of transaction | Face Value per Equity Share (₹) | Offer/Acquisition price per Equity Share (₹) | Percentage of the pre-Offer paid-up capital (%) | Percentage of the post-Offer paid-up capital (%) |
|---------------------------|-----------------------------------|--|-----------------------|---------------------------------|--|---|--|
| Dhires Shashikant Gosalia | [•] | [•] | [•] | [•] | [•] | [•] | [•] |
| | [•] | | | | [•] | [•] | [•] |

*To be included in the Prospectus.

- c) Our Promoter has given consent to include such number of Equity Shares held by him as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Minimum Promoter's Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the 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.

For details on the build – up of the Equity Share capital held by our Promoter, see "Capital Structure - 9. Details of Shareholding of our Promoter, members of the Promoter Group in our Company" on page 72.

- d) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, please note that:

- (i) The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and involving any 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.
- (ii) 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.
- (iii) Our Company has not been formed by the conversion of one or more partnership firms or of a limited liability partnership firm into a Company.

11. Details of equity share capital locked-in for six months

Pursuant to the SEBI ICDR Regulations, the entire pre-Offer capital of our Company (including those Equity Shares held by our Promoter 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 Allotted pursuant to the Offer for Sale; (ii) any Equity Shares held

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

12. Acquisition of equity shares in the immediately preceding three years (including the immediately preceding one year) by our Promoter, who is also the Promoter Selling Shareholder and members of the Promoter Group

| Name of acquirer | Date of acquisition | Number of equity shares acquired at a face value of ₹ 5 each ⁽¹⁾ | Acquisition price per equity share |
|---|---------------------|---|------------------------------------|
| Promoter and Selling Shareholder | | | |
| Dhires Shashikant Gosalia | September 16, 2021 | 31,920,800 | Not applicable* |
| Promoter Group | | | |
| Madhavi Dhires Gosalia | September 16, 2021 | 2,804,000 | Not applicable* |
| Ravina Gaurav Shah | September 16, 2021 | 1,000,000 | Not applicable* |
| Madhuri Madhusudan Mehta | September 16, 2021 | 4,000 | Not applicable* |
| Jhelum Dhires Gosalia | September 16, 2021 | 4,000 | Not applicable* |
| | October 13, 2021 | 1,494,000 | Not applicable** |
| Usha Shashikant Gosalia | September 16, 2021 | 4,000 | Not applicable* |
| Parul Rajesh Mody | September 16, 2021 | 4,000 | Not applicable* |

* These equity shares were acquired pursuant to an allocation of 35,740,800 Equity Shares to existing shareholders of our Company pursuant to a bonus issue in the ratio of two new Equity Shares for each existing Equity Share held as on August 28, 2021, through capitalization of the eligible reserves.

** These equity shares were acquired pursuant to a gift from Dhires Shashikant Gosalia to Jhelum Dhires Gosalia.

⁽¹⁾ Post adjustment of bonus issue and sub-division of Equity Shares. Pursuant to a resolution of the Board dated August 2, 2021 and Shareholders' resolution dated August 20, 2021, equity shares of face value of ₹ 100 each of the Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of the Company comprising 893,520 equity shares of face value of ₹ 100 each was sub-divided into 17,870,400 Equity Shares of face value of ₹ 5 each.

Except as disclosed above, none of the other members of our Promoter Group have acquired any Equity Shares of our Company in the three years immediately preceding the date of this draft red herring prospectus.

There are no shareholders who are entitled to nominate directors or have any other special rights.

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

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

14. 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.

15. Other requirements in respect of lock-in

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter 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 Promoter 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 Promoter) 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.

16. Employee stock option scheme:

Pursuant to a resolution of our Board dated September 23, 2021 and a special resolution passed by our Shareholders dated September 30, 2021 the Employee Stock Option Scheme 2021 (“**ESOP 2021**”) has been approved, which provides for granting options to employees of our Company and subsidiaries. ESOP 2021 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The purpose of ESOP 2021 is to enable the employees, present and future, to share the wealth that they help to create for the organization over a certain period of time. The maximum number of options that can be granted pursuant to ESOP 2021 shall be such as would be exercisable into a maximum number of 571,853 Equity Shares of our Company, as per the letter of grant given to them, in accordance with the terms and conditions of such grant. ESOP 2021 will be administered by the Nomination and Remuneration Committee. The vesting period shall be a minimum of one year under the ESOP 2021.

As on the date of this Draft Red Herring Prospectus, no options under the Employee Stock Option Scheme, 2021 have been granted by our Company. However, our Company may grant options under the Employee Stock Option Scheme, 2021 during the period commencing from filing of this Draft Red Herring Prospectus, until the time the Equity Shares have been listed on the Stock Exchanges pursuant to this Offer.

17. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of qualified institutional placement, or by way of further public issue of Equity Shares, or otherwise.
18. Up to 77,000 Equity Shares aggregating up to ₹ [●] million (which shall not exceed 5% of the post-Offer equity share capital of our Company) shall be reserved for allocation to Eligible Employees under the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price. Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000.
19. None of the members of the Promoter Group, our Promoter, and / or 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 our Promoter and members of the Promoter Group during the period, please see “*Acquisition of equity shares in the immediately preceding three years (including the immediately preceding one year) by our Promoter, who is also the Promoter Selling Shareholder and members of the Promoter Group*” on page 75.
20. There have been no financing arrangements whereby our Promoter, members of the Promoter Group, and / or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.
21. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
22. As on the date of this Draft Red Herring Prospectus, the BRLMs, their respective associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares. The BRLMs, their respective associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in

commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

23. Our Company shall ensure that any transaction in the Equity Shares by our Promoter and the members of the Promoter Group during the period between the date of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.
24. Our Company, the Promoter, our Directors and the BRLMs have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
25. There are no warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
26. 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 and the Promoter Selling Shareholder, in consultation with 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, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Furthermore, up to 77,000 Equity Shares, aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the ASBA process providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by SCSBs) or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see “*Offer Procedure*” on page 307.
27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
28. Except to the extent of the Offer for Sale by our Promoter Selling Shareholder, our Promoter and the members of our Promoter Group will not participate in the Offer.
29. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoter, members of our Promoter Group or Group Company, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
30. Neither the (i) BRLM or any associate of the BRLM (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 Promoter or Promoter Group can apply under the Anchor Investor Portion.
31. Other than as disclosed in “*Notes to the Capital Structure – Share capital history of our Company*”, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder.

Offer for Sale

The Promoter Selling Shareholder will be entitled to the proceeds of the Offer for Sale after deducting his respective portion of the Offer related expenses. 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. Other than the listing fees for the Offer and expense on account of corporate advertisements (which shall be exclusively borne by our Company), all cost, fees and expenses in respect of the Offer will be shared among our Company and the Promoter Selling Shareholder, respectively, in proportion to the proceeds received from the Fresh Issue and the Offered Shares, as may be applicable, upon the successful completion of the Offer.

Fresh Issue

Requirement of funds

We propose to utilise the Net Proceeds towards funding the following objects:

1. Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company and our Subsidiary, Jesons Techno Polymers LLP; and
2. General corporate purposes
(collectively, the “Objects”).

The main objects and objects incidental and ancillary to the main objects is set out in our Memorandum of Association enable us (i) to undertake our existing business activities and (ii) to undertake the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised. The main objects and objects incidental and ancillary to the main objects set out in the memorandum of association of our Subsidiary, Jesons Techno Polymers LLP, enables it to undertake the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised. In addition, our Company expects to achieve the benefits of listing of the Equity Shares on the Stock Exchanges including enhancement of our brand name and creation of a public market for our Equity Shares in India.

Proceeds of the Fresh Issue

The details of the proceeds of the Fresh Issue are set forth below:

| Particulars | Amount ⁽¹⁾ |
|---|-----------------------|
| Gross Proceeds of the Fresh Issue | 1,200 |
| (Less) Offer related expenses in relation to the Fresh Issue* | [●] |
| Net Proceeds* | [●] |

(1) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Net Offer complying with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects of the Offer. Details of the Pre-IPO Placement, if undertaken shall be included in the Red Herring Prospectus.

* To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

| Particulars | Amount ⁽¹⁾ |
|--|-----------------------|
| Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company and our Subsidiary, Jesons Techno Polymers LLP | 900 |
| General corporate purposes* | [●] |
| Total** | [●] |

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

** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.

- (1) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

The main objects of our Memorandum of Association enable us to carry on our existing business activities, and the activities for which funds are being raised through the Fresh Issue.

Schedule of Implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of deployment of funds set forth in the table below:

(In ₹ million)

| Particulars | Amount to be funded from Net Proceeds ** | Estimated deployment of Net Proceeds *** |
|--|--|--|
| | | Fiscal 2022 |
| Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company and our Subsidiary | 900 | 900 |
| General corporate purposes* | ● | ● |
| Total* | ● | ● |

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

**Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

*** In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilized in the next fiscal year, as may be determined by our Board, in accordance with applicable laws.

We propose to deploy the Net Proceeds towards the Objects in Financial Year 2022. However, if the Net Proceeds are not completely utilised for the objects stated above by the end of Financial Year 2022, such amounts will be utilised (in part or full) in subsequent periods, as determined by us, in accordance with applicable law.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as the timing of completion of the Offer, financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see “Risk Factors – Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company” on page 46.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders. In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met due to the reasons stated above, the same shall be utilized in the next fiscal year, as may be determined by our Board, in accordance with applicable laws. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, if the actual utilisation towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilised towards future growth opportunities and/or general corporate purposes (to the extent that the total amount to be utilized towards the general corporate purposes will not exceed 25% of the Net Proceeds of the Fresh Issue), subject to applicable laws.

Details of the Objects of the Offer

1. Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company and our Subsidiary, Jesons Techno Polymers LLP

Our Company and our Subsidiary, Jesons Techno Polymers LLP, have entered into various financial arrangements from time to time, with banks and financial institutions. The outstanding loan facilities entered into by our Company and our Subsidiary, Jesons Techno Polymers LLP include borrowing in the form of, *inter alia*, term loans and working capital facilities. For further details, see “Financial Indebtedness” on page 267. Our Company and our Subsidiary, Jesons Techno Polymers LLP propose to utilise an estimated amount of ₹ 900 million from the Gross Proceeds towards part or full repayment and/or pre-payment of certain borrowings availed by us. Our Company and our Subsidiary, Jesons Techno Polymers LLP may avail further loans and/ or draw down further funds under existing loans from time to time.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company and our Subsidiary, Jesons Techno Polymers LLP may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment or avail of additional credit facilities. Further, the outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. Accordingly, our Company and our Subsidiary, Jesons Techno Polymers LLP may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company and our Subsidiary, Jesons Techno Polymers LLP. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full, of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹ 900 million. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans, as the case may be.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs 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 our Subsidiary will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of outstanding borrowings availed of by our Company and our Subsidiary, Jesons Techno Polymers LLP, which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

| Sl. No. | Name of the Borrower | Name of the Lender | Nature of Borrowing | Amount sanctioned as on September 30, 2021 | Principal amount outstanding as at September 30, 2021** | Interest Rate % of borrowings taken as on September 30, 2021 | Re-payment date/ Schedule | Pre-payment penalty | Purpose* |
|-------------------|----------------------------|---------------------|----------------------------|--|---|---|--|--|--|
| Company | | | | | | | | | |
| 1 | Jesons Industries Limited | Axis Bank Ltd | Working capital facilities | 500.00 | 120.13 | Cash Credit facilities: 12 M MCLR + 0.95% , payable at monthly intervals. | Cash Credit facilities: Repayable on demand | NA | To meet working capital requirements and short-term cash-flow mismatches |
| 2 | Jesons Industries Limited | DBS Bank India Ltd | Working capital facilities | 750.00 | 184.98 | Cash Credit facilities - MCLR + agreed basis point. | Cash Credit facilities: Repayable on demand | NA | To meet working capital requirements and short-term cash-flow mismatches |
| | | | | | | Buyers Credit - 0.8815 % p.a. | Buyers Credit - 90 days | | |
| 3 | Jesons Industries Limited | HDFC Bank Ltd | Working capital facilities | 750.00 | 124.26 | Cash Credit facilities: 7.9% p.a. linked to HDFC Bank 1 year MCLR + 65 bps (the aforesaid interest rate will be reset annually) | Cash Credit facilities: Repayable on demand | NA | To meet working capital requirements and short-term cash-flow mismatches |
| 4 | Jesons Industries Limited | ICICI Bank Ltd | Working capital facilities | 700.00 | 119.89 | Cash Credit: I-MCLR- 6M + 1.5 % p.a | Cash Credit: January 4, 2022 | NA | To meet working capital requirements and short-term cash-flow mismatches |
| 5 | Jesons Industries Limited | IDFC First Bank Ltd | Working capital facilities | 1,050.00 | 243.86 | Cash Credit facilities: Interest Rate - 1 year MCLR + Spread of 1.20% p.a. | Cash Credit facilities: Repayable on demand | NA | To meet working capital requirements and short-term cash-flow mismatches |
| | | | | | | Buyers Credit - 0.49825% (Libor + 0.35 spread) | Buyers Credit - 120 days | | |
| Subsidiary | | | | | | | | | |
| 1 | Jesons Techno Polymers LLP | HDFC Bank Ltd | Term Loan | 422.00 | 422.00 | 7.90 % to 7.95% | To be paid in equally quarterly instalments (post moratorium period) As per sanction letter dated 27.11.2019 for Rs. 350 million : 6 years from the date of first disbursement (including | 2% In case of takeover of the facility amount payable on partial or full closure. Nil charges in case of payment out of internal accruals / own sources. As per consent letter from bank dated | i) Capex :Purchase of Machinery, Construction of factory shed and building of new manufacturing facility. Products :Pressure-sensitive Adhesive (PSA) and Emulsion blinders ii) Incremental Capex |

| Sl. No. | Name of the Borrower | Name of the Lender | Nature of Borrowing | Amount sanctioned as on September 30, 2021 | Principal amount outstanding as at September 30, 2021** | Interest Rate % of borrowings taken as on September 30, 2021 | Re-payment date/ Schedule | Pre-payment penalty | Purpose* |
|--------------|----------------------|--------------------|---------------------|--|---|--|--|--|--|
| | | | | | | | <p>moratorium period of 1 year 3 months), repayment will be equal quarterly instalments post moratorium period.</p> <p>As per sanction letter dated 09.12.2020 for Rs. 72 million: 5 years 7 months including moratorium period of 9 months, repayment will be equal quarterly instalments post moratorium period.</p> | 15.09.2021, all the prepayment charges have been waived. | <p>towards factory building construction due to increase in capacity addition of PSA and paint emulsions and to accommodate machineries for manufacture of HDPE drums and packaging</p> <p>iii) Purchase of additional machinery (reactor)</p> <p>iv) Purchase of machinery for manufacture of HDPE drums.</p> |
| Total | | | | 4,172.00 | 1,215.11 | | | | |

* In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Company has obtained a certificate dated November 19, 2021 from the Statutory Auditor certifying that the borrowings have been utilised towards the purposes for which such borrowings were availed.

** The amount outstanding as at September 30, 2021 excludes interest accrued amounting to Rs. 2.97 million.

Financing facility of our Subsidiary, Jesons Techno Polymers LLP, provide for the levy of prepayment penalty. Given the nature of borrowing 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 relevant financing agreement, such prepayment penalties shall be paid by our Company out of the net proceeds. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds. In case we are unable to raise the Offer Proceeds till the due date for repayment of any of the above mentioned portion of the loans, the funds earmarked for such repayment may be utilised for payment of future instalments of the above mentioned loan or other loan for an amount not more than the amount mentioned above.

The amounts outstanding under the borrowing facilities may be dependent on various factors and may include intermediate repayments and drawdowns. Accordingly, it may be possible that amount outstanding under the borrowing facilities may vary from time to time. We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing borrowing facilities. In such event, we may utilise the Net Proceeds towards repayment/prepayment of any existing or additional indebtedness which will be selected based on various commercial considerations including, among others, the interest / coupon rate on the borrowing facility, the amount of the borrowing outstanding and the remaining tenor of the borrowing, any conditions attached to the borrowings restricting the ability to pre-pay/repay/redeem the borrowings, receipt of consents for prepayment from the respective lenders terms and conditions of consents and waivers, presence of onerous terms and conditions under the facility, other commercial considerations and applicable law governing such borrowings.

For the purposes of the Offer, our Company and our Subsidiary, Jesons Techno Polymers LLP has intimated and has obtained necessary consents 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 of our Company, amendment to the Articles of Association of our Company, etc.

To the extent our Company deploys the Net Proceeds in our Subsidiary, Jesons Techno Polymers LLP, for the purpose of prepayment or repayment of all or a portion of the abovementioned borrowings, it shall be in the form of equity or debt or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million (net of expenses in relation to the Fresh Issue) towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, but not limited to: (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate exigencies and contingencies; (v) capital expenditure; (vi) meeting working capital requirements; (vii) expenses of our Company; and (viii) any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and our business requirements, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any.

Means of Finance

The funding requirements towards the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals, as prescribed under the SEBI ICDR Regulations. Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. For further details, see “*Risk Factors – Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.*” on page 46. We may vary the Objects in the manner provided in “*Objects of the Offer – Variation in Objects*” on page 86.

Interim use of Net Proceeds

We, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds

in deposits only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with the Companies Act, 2013, we confirm that we shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

We have 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.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All Offer expenses will be shared, between our Company and the Promoter Selling Shareholder 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 Promoter Selling Shareholder 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 Promoter Selling Shareholder in the first instance will be reimbursed to our Company, by the Promoter Selling Shareholder to the extent of his respective proportion of the Offer related expenses. However, if the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company.

Further, the Promoter Selling Shareholder shall reimburse our Company for all expenses, incurred by our Company in relation to the Offer for Sale on their behalf in accordance with applicable law. The break-up for the estimated Offer expenses is as below:

| Activity | Estimated expenses ⁽¹⁾ (₹ in million) | As a % of total estimated Offer related expenses ⁽¹⁾ | As a % of Offer size ⁽¹⁾ |
|---|---|---|-------------------------------------|
| Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable | [●] | [●] | [●] |
| Advertising and marketing expenses | [●] | [●] | [●] |
| Printing and stationery expenses | | | |
| Fees payable to Registrar to the Offer | [●] | [●] | [●] |
| Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)(6) | [●] | [●] | [●] |
| Others (Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses, fees for the legal counsel, Statutory Auditor, Independent Chartered Engineer, and the Independent Chartered Accountant appointed for the purpose of the Offer etc.) | [●] | [●] | [●] |
| Total estimated Offer expenses | [●] | [●] | [●] |

⁽¹⁾ Amounts will be finalised and incorporated in the Prospectus on determination of the Offer Price.

⁽²⁾ Selling commission payable to the SCSBs on the portion of 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 Bidders* | [●]% of the Amount Allotted (plus applicable taxes) |
| Employee Reservation Portion* | [●]% 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 Promoter Selling Shareholder to the SCSBs on the applications directly procured by them

⁽³⁾ Processing fees payable to the SCSBs on the portion for Retail Individual Bidder 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 Bidders* | [●]% of the Amount Allotted (plus applicable taxes) |
| Employee Reservation Portion* | [●]% of the Amount Allotted (plus applicable taxes) |

* For each valid application

- (4) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by Syndicate Member (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) |
| Employee Reservation Portion* | [●]% of the Amount Allotted (plus applicable taxes) |

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

- (5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the Registered Brokers, RTAs/CDPs would be as follows:

| | |
|--|--|
| Portion for Retail Individual Bidders* | ₹ [●] per valid application (plus applicable taxes) |
| Portion for Non-Institutional Bidders* | ₹ [●] per valid application (plus applicable taxes) |
| Employee Reservation Portion* | ₹ [●] of the Amount Allotted (plus applicable taxes) |

* Based on valid applications.

* Amount of selling commission payable to Registered Brokers, RTAs/CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs/CDPs the commission is payable to, the terminal from which the bid has been uploaded will be taken into account. The bidding charges payable shall be subject to total commission payable being maximum of ₹ [●] plus applicable taxes.

- (6) The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows

| | |
|--|--|
| Payable to Members of the Syndicate including their sub-Syndicate Members/ RTAs / CDPs | ₹ [●] per valid application (plus applicable taxes) |
| Sponsor Bank | ₹ [●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws. |

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

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or finance institutions.

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for monitoring the utilisation of the Net Proceeds. Our Audit Committee and the monitoring agency will monitor the utilisation of the Net Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will 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, specifying the purposes for which the Net Proceeds have been utilised. 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 unutilised Net Proceeds.

Pursuant to 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 will 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 auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual 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 Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without being authorised to do so by our Shareholders by way of a special resolution through a 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, 2013 and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, the regional language of the jurisdiction where our Registered Office and Corporate Office is located. In accordance with the Companies Act, 2013, our Promoter 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, 2013 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, 2013 and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, our Directors, our Key Managerial Personnel or our Group Company except in the normal course of business and in compliance with applicable law, and there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, Promoter Group, our Directors, our Key Managerial Personnel or our Group Company. Our Company has not entered into and is not planning to enter into any arrangement/agreements with the Promoter, the Directors, the Key Managerial Personnel or the Group Company in relation to the utilisation of the Net Proceeds.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 5 each and the Floor Price is [●] times the face value of Equity Shares and Cap Price is [●] times the face value of Equity Shares.

Bidders should read the below mentioned information along with “Our Business”, “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 131, 25, 182, and 237, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

1. Diversified product portfolio and customised customer solutions catering to certain large and growing markets;
2. One of the leading players in SCEs and PSAs with diversified geographical presence spanning key regions;
3. Strategically located production facilities with fungible capabilities, efficient supply chain management and export capabilities;
4. Diversified customer base with long term relationships with marquee customers both domestically as well as globally;
5. Innovation and R&D led product offering; and
6. Professional and experienced Promoter and board of directors.

For further details, see “Our Business – Our Strengths” on page 133.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Summary Statements. For further details, see “Financial Information” on page 182.

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 (“EPS”) at face value of ₹ 5, as adjusted for changes in capital:

As derived from the Restated Consolidated Summary Statements:

| Financial Period | Basic EPS (in ₹) ⁽¹⁾ | Diluted EPS (in ₹) ⁽¹⁾ | Weight |
|--|---------------------------------|-----------------------------------|--------|
| Financial Year 2021 | 17.55 | 17.55 | 3 |
| Financial Year 2020 | 5.51 | 5.51 | 2 |
| Financial Year 2019 | 4.62 | 4.62 | 1 |
| Weighted Average | 11.38 | 11.38 | |
| Three months period ended June 30, 2021* | 10.13 | 10.13 | |

* Not annualised.

Notes:

Basic EPS = $\frac{\text{Net Profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

Diluted EPS = $\frac{\text{Restated consolidated net profit after tax for the year / period}}{\text{Weighted average number of diluted equity shares and potential equity shares outstanding during the period}}$

Notes:

- (1) Pursuant to a resolution passed by the Shareholders in the extraordinary general meeting held on August 20, 2021, our Company has sub-divided the face value of its equity shares from ₹100 each to ₹5 each. Further, the Board of Directors has also approved the issue of bonus equity shares in the meeting held on September 16, 2021, in the ratio of 2:1 out of the eligible reserves of our Company. Accordingly, in accordance with INDAS 33 “Earnings per share” and read with Ind AS 10 “Events after Reporting Period”, the earnings per share for the three months period ended 30th June 2021 as well as for the year ended 31st March 2021, 31st March 2020 and 31st March 2019 has been arrived at after giving effect to the above sub-division as well as bonus issue.
- (2) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
- (3) The figures disclosed above are based on the Restated Consolidated Summary Statements of our Company.
- (4) Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- (5) The above statement should be read with the Notes to the Restated Consolidated Summary Statements as appearing in “Restated Consolidated Summary Statements” on page 204.

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

| Particulars | P/E at the Floor Price (no. of times) | P/E at the Cap Price (no. of times) |
|--|---------------------------------------|-------------------------------------|
| Based on Basic EPS for Financial Year 2021 | [●] | [●] |
| Based on Diluted EPS for Financial Year 2021 | [●] | [●] |

3. Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section:

| | P/E Ratio |
|--------------------|-----------|
| Highest | 84.03 |
| Lowest | 31.57 |
| Industry Composite | 54.88 |

Notes:

- (1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “– Comparison of Accounting Ratios with Listed Industry Peers” on page 89.
- (2) The industry P/E ratio mentioned above is as computed based on financial information of the peers for the financial year ended March 31, 2021.

4. Return on Net Worth (“RoNW”)

As derived from the Restated Consolidated Summary Statements of our Company:

| Particulars | RoNW % | Weight |
|--|---------------|--------|
| Financial Year 2021 | 35.80% | 3 |
| Financial Year 2020 | 17.49% | 2 |
| Financial Year 2019 | 17.34% | 1 |
| Weighted Average | 26.62% | |
| Three months period ended June 30, 2021* | 17.12% | |

*Not annualised.

Notes:

Return on Net Worth (%) = $\frac{\text{Profit after tax, as restated, attributable to the owners of the company}}{\text{Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company)}}$

Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company)

- Net-worth, as restated, 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 accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets write back of depreciation and amalgamation.
- The figures disclosed above are based on the Restated Consolidated Summary Statements of our Company

5. Net Asset Value per Equity Share

| Net Asset Value per Equity Share | (₹) |
|----------------------------------|--|
| As on March 31, 2021 | 49.03 |
| As on June 30, 2021 | 59.16 |
| After the Offer | At the Floor Price: [●] At the Cap Price: [●] |
| Offer Price | [●] |

Notes:

Net Asset Value per share =

$\frac{\text{Net Asset Value (Net-worth), as restated}}{\text{Number of equity shares outstanding at the year end of the period (adjusted for split and bonus*)}}$

Number of equity shares outstanding at the year end of the period (adjusted for split and bonus*)

* Pursuant to a resolution passed by the Shareholders in the extraordinary general meeting held on August 20, 2021, our Company has sub-divided the face value of its equity shares from ₹100 each to ₹5 each. Further, the Board of Directors has also approved the issue of bonus equity shares in the meeting held on September 16, 2021, in the ratio of 2:1 out of the eligible reserves of our Company. Accordingly, the net asset value per share as at the three months period ended 30th June 2021 and the year ended 31st March 2021 has been arrived at after giving effect to the above sub-division as well as bonus issue.

6. Comparison of Accounting Ratios with Listed Industry Peers

| Name of the company | Total income for Fiscal 2021 (₹ in million) | Face value per equity share (₹) | P/E | EPS (Basic) (₹) | EPS (Diluted) (₹) | RoNW (%) | NAV (₹ per share) |
|---------------------------|---|---------------------------------|-----|-----------------|-------------------|----------|-------------------|
| Jesons Industries Limited | 10,965.49 | 5 | [●] | 17.55 | 17.55 | 35.80% | 49.03 |

| Name of the company | Total income for Fiscal 2021 (₹ in million) | Face value per equity share (₹) | P/E | EPS (Basic) (₹) | EPS (Diluted) (₹) | RoNW (%) | NAV (₹ per share) |
|---------------------------------|---|---------------------------------|-------|-----------------|-------------------|----------|-------------------|
| <i>Listed peers</i> | | | | | | | |
| Apcotex Industries Limited | 5,471.16 | 2 | 46.87 | 8.52 | 8.52 | 14.46% | 58.91 |
| Fine Organic Industries Limited | 11,503.16 | 5 | 84.03 | 39.25 | 39.25 | 16.45% | 238.55 |
| Galaxy Surfactants Limited | 27,949.20 | 10 | 34.88 | 85.22 | 85.22 | 23.22% | 367.06 |
| Aarti Surfactants Limited | 45,068.00 | 5 | 31.57 | 30.04 | 30.04 | 15.28% | 201.05 |
| Vinati Organics Limited | 9,801.02 | 1 | 77.05 | 26.20 | 26.20 | 17.45% | 150.16 |

* Financial information of the Company has been derived from Restated Consolidated Summary Statements.

Source for Industry Peer information included above:

- All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual results of the company for the year ended March 31, 2021.
- Closing NSE price of these equity shares as on November 12, 2021 obtained from NSE website. P/E Ratio for the peer group has been computed based on the closing market price of equity shares on NSE as on November 12, 2021, divided by the diluted EPS.
- RoNW is computed as net profit after tax (excluding profit attributable to non-controlling interest) divided by net worth, as at March 31, 2021.
- Net worth has been computed as sum of paid-up share capital and other equity but excludes non-controlling interest.
- NAV is computed as the net worth as at March 31, 2021 divided by the outstanding number of equity shares as at March 31, 2021.

The Offer Price of ₹ [●] is [●] times of the face value of the Equity Shares and has been determined by our Company and Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in “Risk Factors” on page 25 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Jesons Industries Limited
904, Peninsula Tower No. 1
Ganpat Rao Kadam Marg
Lower Parel (West),
Mumbai – 400013
Maharashtra, India

Sub: Statement of possible special tax benefits available to Jesons Industries Limited (the ‘Company’) and its shareholders, and the Company’s material subsidiary namely Jesons Techno Polymers LLP, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (‘SEBI ICDR Regulations’).

1. We, M S K A & Associates (‘the Firm’), Chartered Accountants, the statutory auditors of Jesons Industries Limited (the ‘Company’) hereby confirm that the enclosed Annexures 1 and 2 (together ‘the Annexures’), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company and the Company’s material subsidiary, namely Jesons Techno Polymers LLP (the ‘Material Subsidiary’), under the direct and indirect tax laws, including the Income-tax Act, 1961 (‘the Act’) as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017/ relevant State Goods and Services Tax Act, 2017 (‘GST Act’), the Customs Act, 1962 (‘Customs Act’), the Customs Tariff Act, 1975 (‘Tariff Act’), Foreign Trade Policy 2015-2020 (‘FTP’) which has been extended upto March 31, 2022, the Special Economic Zones Act, 2005 (‘SEZ Act’), and the rules made thereunder as amended by the Finance Act 2021, i.e., applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India (collectively the ‘Taxation Laws’). 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 statute. Hence, the ability of the Company, its shareholders and Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions, 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.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (‘SEBI ICDR Regulations’). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, for the purpose of this statement, possible special tax benefits which could be available dependent on the Company or its shareholders or its material subsidiary fulfilling the conditions prescribed under the tax laws are enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
4. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, the Material Subsidiary and its shareholders and do not cover any general tax benefits available to them.
5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

7. We do not express any opinion or provide any assurance whether:
- The Company, its shareholders and Material Subsidiary will continue to obtain these benefits in future;
 - The conditions prescribed for availing the benefits have been/would be met;
 - The revenue authorities/courts will concur with the views expressed herein.
8. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.
9. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexures to this Statement are intended solely for your information and for inclusion in the draft red herring prospectus, the red herring prospectus the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 statement is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M S K A & Associates
Chartered Accountants
Firm Registration Number:105047W

Jiger Saiya
Partner
Membership No: 116349
UDIN: 21116349AAAAEL8002
Place: Mumbai
Date: November 19, 2021

ANNEXURE 1

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO JESONS INDUSTRIES LIMITED (THE 'COMPANY' OR 'JIL') AND ITS SHAREHOLDERS, AND THE COMPANY'S MATERIAL SUBSIDIARY NAMELY JESONS TECHNO POLYMERS LLP ('JTP LLP' OR 'MATERIAL SUBSIDIARY')

DIRECT TAXATION

This statement of possible special direct tax benefits is required as per Schedule VI(Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). The term 'special tax benefit' has not been defined under the SEBI ICDR Regulations, for the purpose of this statement, possible special tax benefits which could be available dependent on the Company or its shareholders or its material subsidiary fulfilling the conditions prescribed under the tax laws, are enumerated below.:

A) Under the Income-tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act, 2021, applicable for Financial Year 2021-22 relevant to Assessment Year 2022- 23 ('Year').

This Annexure sets out only the possible special direct tax benefits available to the Company, its shareholders and to the Company's material subsidiary namely JTP LLP under the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 i.e. applicable to Financial Year 2021-22 relevant to Assessment Year 2022-2023, presently in force in India.

I. Special direct tax benefits available to the Company under the Act

Lower Corporate Tax Rate under section 115BAA

A new section 115BAA was inserted by the Taxation Laws (Amendment) Act, 2019 ('The Amendment Act, 2019) with effect from 1 April 2020 (Assessment Year 2020-21) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), subject to the condition that going forward it does not claim specified deductions/ exemptions as specified in section 115BAA(2) of the Act and computes total income as per the provisions of section 115BAA(2) of the Act. Proviso to section 115BAA(5) provides that once the company opts for paying tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other previous year. Further, the provisions of Section 115JB i.e. MAT provisions shall not apply to the company on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act.

The Company has evaluated and decided to opt for the lower corporate tax rate of 25.168% with effect from the Financial Year 2019-20. Such option has been exercised by the Company while filing its return for the Financial Year 2019-20 within the due date prescribed under sub-section (1) of section 139 of the Act. Once the Company exercises such option, the MAT tax credit (under section 115JAA) which it is entitled to on account of MAT paid in earlier years, will no longer be available for set-off or carry forward in future years.

Deduction in respect of employment of new employees under section 80JJAA

Subject to fulfilment of the prescribed conditions, the Company is entitled to claim deduction, under the provisions of section 80JJAA of the Act, of an amount equal to thirty percent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Further, where the company wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfillment of the conditions under extant provisions of the Act.

Exemption in respect of share in profits of LLP under section 10(2A)

The company being a partner in JTP LLP would be entitled to claim full exemption as per provisions of section 10(2A) of the Act in respect of its share of income from LLP in the same proportion as the amount of its share in the profits of the LLP.

II. Special direct tax benefits available to the JTP LLP under the Act

Exemption for profits derived by unit located in Special Economic Zone under section 10AA

Under section 10AA of the Act, JTP LLP is eligible to claim exemption from profits and gains derived from the export of the goods manufactured or produced from the unit located in Special Economic Zone ('SEZ'). The exemption is allowed only in case of profits from eligible unit and is allowed on following basis:-

- In first 5 consecutive years beginning year of commence of operation – 100% exemption of the profits and gains derived from the export of the goods manufactured or produced from the unit located in SEZ

- In next 5 consecutive years – 50% exemption of the profits and gains derived from the export of the goods manufactured or produced from the unit located in SEZ
- In next 5 years - 50% exemption of the profits and gains derived from the export of the goods manufactured or produced from the unit located in SEZ, subject to meeting specified conditions.

In case of JTP LLP, it may be eligible to claim exemption under section 10AA of the Act as it has Certificate of Commencement of authorized operations and validity of Letter of approval vide F no. APSEZ/30/Jesons/2019-20/265 upto 21.03.2025 – m/r dated 20.08.2020 stating commencement of authorized operations from 21 March 2020, as issued by office of the Development Commissioner of AP & SEZ, Mundra, Ministry of Commerce and Industry of Government of India. Further, where JTP LLP wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfillment of the conditions under extant provisions of the Act.

Deduction in respect of employment of new employees under section 80JJAA

Subject to fulfilment of the prescribed conditions, JTP LLP is entitled to claim deduction, under the provisions of section 80JJAA of the Act, of an amount equal to thirty percent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Further, where JTP LLP wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfillment of the conditions under extant provisions of the Act.

III. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders of the Company from investment in the equity shares of the Company. However, such shareholders shall be liable to tax at concessional tax rates on certain incomes (arising from sale of equity shares of the Company) under the extant provisions of the Act.

Section 112A of the Act provides for concessional rate of tax with at the rate of 10% in respect of specified long-term capital gains gain exceeding Rs.1,00,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an equity share in an Indian company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer. Further, the benefit of lower rate is extended in case STT is not paid on acquisition / allotment of equity shares through Initial Public Offering.

Section 111A of the Act provides for concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an equity share in a company or a unit of an equity-oriented fund wherein STT is paid on transfer.

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of individuals, whether incorporated or not and every artificial judicial person, surcharge would be restricted to 15% irrespective of the amount of dividend

In respect of non-residents shareholder, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which such non-resident shareholder has fiscal domicile.

NOTES:

1. The above benefits are as per the current tax law as amended by the Finance Act, 2021 and Taxation Laws (Amendment) Act, 2020 applicable for Financial year 2021-22 relevant to the Assessment year 2022-23, presently in force in India.
2. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company The shareholders/investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
3. Company and Material Subsidiary confirm that they have not received any adverse tax order or notice or opinion (in writing or oral) for denying or not eligible for the special tax benefits as mentioned above. Further, the Company and Material Subsidiary have complied with all the conditions which are necessary for the purpose of claiming these special tax benefits.

4. The Company and JTP LLP are fully aware that if option for concessional income tax rate as prescribed under section 115BAA of the Act is opted, it will not be allowed to claim any of the following deductions/ exemptions:
- Deduction under the provisions of section 10AA of the Act (deduction for units in SEZ)
 - Deduction under clause (iia) of sub-section (1) of section 32 of the Act (Additional depreciation)
 - Deduction under section 32AD or section 33AB or section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund)
 - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of section 35 of the Act (Expenditure on scientific research)
 - Deduction under section 35AD or section 35CCC of the Act (Deduction for specified business, agricultural extension project)
 - Deduction under section 35CCD of the Act (Expenditure on skill development)
 - Deduction under any provisions of Chapter VI-A of the Act (including deduction under section 80-IA of the Act) other than the provisions of section 80JJAA or section 80M ;
 - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
 - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred to in clause.
5. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
6. The benefits discussed above cover only possible special tax benefits available to the Company, to its shareholders, and its material subsidiary namely JTP LLP and do not cover general tax benefits. The above statement sets out the provisions of the law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For Jesons Industries Limited

Deepak Ladha
Chief Financial Officer

Place: Mumbai
Date: November 19, 2021

ANNEXURE 2

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO JESONS INDUSTRIES LIMITED (THE 'COMPANY' OR 'JIL'), COMPANY'S SHAREHOLDERS AND THE COMPANY'S MATERIAL SUBSIDIARY NAMELY JESONS TECHNO POLYMERS LLP ('JTP LLP' OR 'MATERIAL SUBSIDIARY')

INDIRECT TAXATION

This statement of possible special indirect tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). The term 'special tax benefit' has not been defined under the SEBI ICDR Regulations; for the purpose of this statement possible special tax benefits which could be available dependent on the Company or its shareholders or its material subsidiary fulfilling the conditions prescribed under the tax laws, are enumerated below.

A) Under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017/ relevant State Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act"), Foreign Trade Policy 2015-2020 ("FTP") which has been extended upto March 31, 2022, the Special Economic Zones Act, 2005 ("SEZ Act"), and the rules made thereunder, as applicable.

This Annexure sets out only the possible special tax benefits available to the Company, Company's shareholders and to the Company's material subsidiary namely JTP LLP under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017/ relevant State Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act"), Foreign Trade Policy 2015-2020 ("FTP") which has been extended upto March 31, 2022, the Special Economic Zones Act, 2005 ("SEZ Act"), and the rules made thereunder, as applicable .

I. Special tax benefits available to the Company under the GST Laws, Customs Act, Customs Tariff Act and FTP

Refund of tax paid on Export of goods or refund of tax paid on inputs/input services used in export of goods/services

Under the GST laws, export of goods or services has been treated as a 'zero rated supply' i.e. the goods or services exported shall be exempted or refunded of GST levied upon them. Thus, in case of export of goods or services the Company has an option to either pay GST on the supply and claim refund of the same or it can export goods or services without payment of GST and claim refund of the GST paid on inputs and input services used in such export.

Going forward, with effect from a date to be notified, the refund of tax paid on export of goods/ services would be available only to notified taxpayers. However, refund of tax paid on inputs and input services used in export would continue to be available as before.

Advance authorization

Advance Authorisation is a scheme under FTP that allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also allowed to be imported duty free.

The quantity of inputs allowed for a given product is based on specific norms defined for that export product. The Directorate General of Foreign Trade (DGFT) provides a sector-wise list of Standard Input-Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product-Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions.

Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s).

Export Promotion Capital Goods (EPCG) Scheme

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty. Capital goods imported under.

The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization.

EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

Merchandise Export from India Scheme (MEIS) and Remission of Duties and Taxes on Exported Products (RoDTEP)

Under the MEIS Scheme, certain rewards and incentives are given to exporters. Such incentives are given to exporters at a specified rate which varies from product to product and from country to country. The incentives are given at a specified rate on the Free on Board value. The percentage of rewards varies from product to product and are in the range of 2% to 5% for most items. The incentives awarded to exporters under this scheme are issued in the form of Duty Credit Scrips. These Duty Credit Scrips are freely transferable and can be used for the payment of Customs Duty.

The MEIS incentives are applicable from 1 April 2015 to 31 December 2020.

The end of MEIS (2015-20) gave birth to the RoDTEP scheme which came into effect on 01 January 2021. RoDTEP entitles exporters to a certain percentage of an export price as a scrip which however gets limited to the embedded taxes. The benefits under the scheme range between 0.5% to 4.3% of the FOB value of exported products, subject to a cap at a certain sum per unit of the export commodity.

The Manufacturing & Other operation in Warehouse Regulation (MOOWR) scheme

The revamped MOOWR scheme has been introduced from 01 October 2019 to attract investments into India and strengthen Make in India. When the raw materials or capital goods are imported, the import duty on them is deferred. If these imported inputs are utilised for exports, the deferred duty is also exempted. Only when the finished goods are cleared to the domestic market, import duty is required to be paid on the imported raw materials used in the production. Import duty on capital goods is required to be paid when such capital goods are cleared to the domestic market.

II. Special tax benefits available to the JTP LLP under the GST Act, Customs Act, Customs Tariff Act, FTP and SEZ Act

Exemption from integrated tax on imports

As per Notification 64-2017 – Customs dated 5 July 2017, all goods imported for authorised operations by a unit or a developer in the Special Economic Zone (SEZ) are exempted from the Integrated Tax leviable as Import Duty u/s 3(7) of the Tariff Act read with Section 5 of the IGST Act, 2017.

Similarly, as per Notification 18/2017- Integrated Tax (Rate) dated 5 July 2017, services imported for authorised operations by a unit or a developer in the Special Economic Zone (SEZ) are exempted from the Integrated Tax payable thereon.

Zero rated supplies of goods and services or both to a Special Economic Zone unit under Section 16 of IGST Act, 2017

Under the GST laws, supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone has been treated as a ‘zero rated supply’ i.e. the goods or services exported shall be exempted or refunded of GST levied upon them.

Exemption of state taxes as per Annexure “IV” “eligibility certificate issued for SEZ

As per this certificate the Company is eligible to avail exemption from all Taxes, Cess, Duties, Fees, or any other levies under Section 21(1) of Gujarat Special Economic Zone Act, 2004 as specified below:

- Stamp duties and Registration fees payable on transfer of land meant for approved unit in the Zone.
- Levy of Stamp duty & registration fees on loan agreement, credit deeds and mortgages executed by the unit

However, these benefits are available to the Company only in respect of their authorized operations.

Further, it is also exempt from payment of GST and other taxes not subsumed in GST for purchase of goods and services from units in Domestic Tariff Area under Section 21(2) of Gujarat Special Economic Zone Act, 2004.

Exemption of electricity duty

As per the provisions of the Gujarat Special Economic Zone Act, 2004, the Unit located in the processing area of the Zone shall be exempted from the electricity duty under the Bombay Electricity Duty Act, 1958, for a period of ten years from the date of production in the case of manufacturing unit.

Duty Drawback Scheme

Duty Drawback scheme was introduced by the Ministry of Finance as a rebate for duty chargeable on any imported materials used in manufacture or processing of goods, manufactured in India and exported. Section 75 of the Act, empowers duty drawback on inputs used in manufacture of goods which are exported.

The Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods which depends on mode of manufacture, quantum of raw material, etc. Duty Drawback Back can be computed basis the two types of rates:

1. All Industry Rate: Notified by the Government in the form of a Drawback Schedule every year, generally it is a fixed percentage of FOB price of export product.
2. Brand Fix Rate: Where the rate of drawback has not been determined or less determined, exporter can file an application to the Principal Commissioner for determination of amount of duty/ rate of duty drawback.

Merchandise Export from India Scheme (MEIS) and Remission of Duties and Taxes on Exported Products (RoDTEP)

Under the MEIS Scheme, certain rewards and incentives are given to exporters. Such incentives are given to exporters at a specified rate which varies from product to product and from country to country. The incentives are given at a specified rate on the FoB value. The percentage of rewards varies from product to product and are in the range of 2% to 5% for most items. The incentives awarded to exporters under this scheme are issued in the form of Duty Credit Scrips. These Duty Credit Scrips are freely transferable and can be used for the payment of Customs Duty.

The MEIS incentives are applicable from 1 April 2015 to 31 December 2020.

The end of MEIS (2015-20) gave birth to the RoDTEP scheme which came into effect on 01 January 2021. RoDTEP entitles exporters to a certain percentage of an export price as a scrip which however gets limited to the embedded taxes. The benefits under the scheme are not made available to a unit located in SEZ until now, however it is expected that such benefit will be extended to such units.

III. Special tax benefits available to the Shareholders of the Company

- (i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.
- (ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, the Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

NOTES:

1. Company and Material Subsidiary confirm that they have not received any adverse tax order or notice or opinion (in writing or oral) for denying or not eligible for the special indirect tax benefits as mentioned above. Further, the Company and Material Subsidiary have complied with all the conditions which are necessary for the purpose of claiming these special indirect tax benefits.
2. The benefits discussed above cover possible special indirect tax benefits available to the company, its shareholders and its material subsidiary namely JTP LLP. The above statement sets out the provisions of the law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For **Jesons Industries Limited**

Deepak Ladha
Chief Financial Officer

Place: Mumbai
Date: November 19, 2021

SECTION IV – 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 “India Market Report – Global Adhesives and Coating Market” dated November 17, 2021 (the “F&S Report”), prepared and issued by Frost & Sullivan appointed on August 5, 2021, exclusively commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from Frost & Sullivan 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 45. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 13.

While preparing its report, F&S has also sourced information from publicly available sources, including our Company's financial statements available publicly. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus.

Macroeconomic Overview – Global

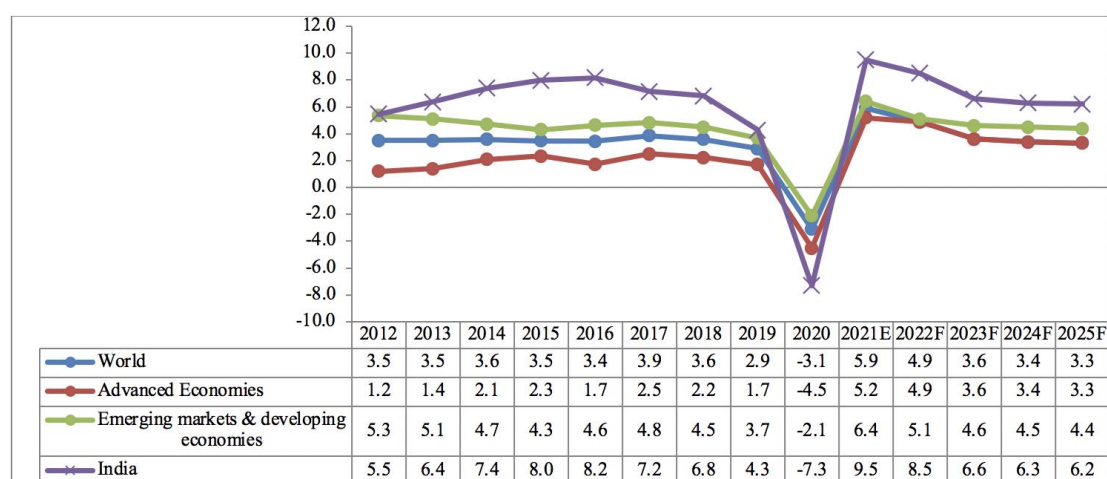
Gross Domestic Product (GDP) Growth

The global economy is going through the most robust post-recession recovery in 80 years in 2021, a year and a half since the onset of the COVID-19 pandemic. With successful pandemic control and a faster vaccination process, the global growth could accelerate; IMF expects the global economic growth to bounce back to 5.9% in 2021 and 4.9% in 2022, with emerging markets and developing economies growing at 6.4% in 2021 and 5.1% in 2022.

Real GDP Growth (%) 2012- 2025F

The baseline forecast envisions a ~6.0% growth in global GDP in 2021. 2020 experienced downfall of nearly 3.1% in Global GDP.

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

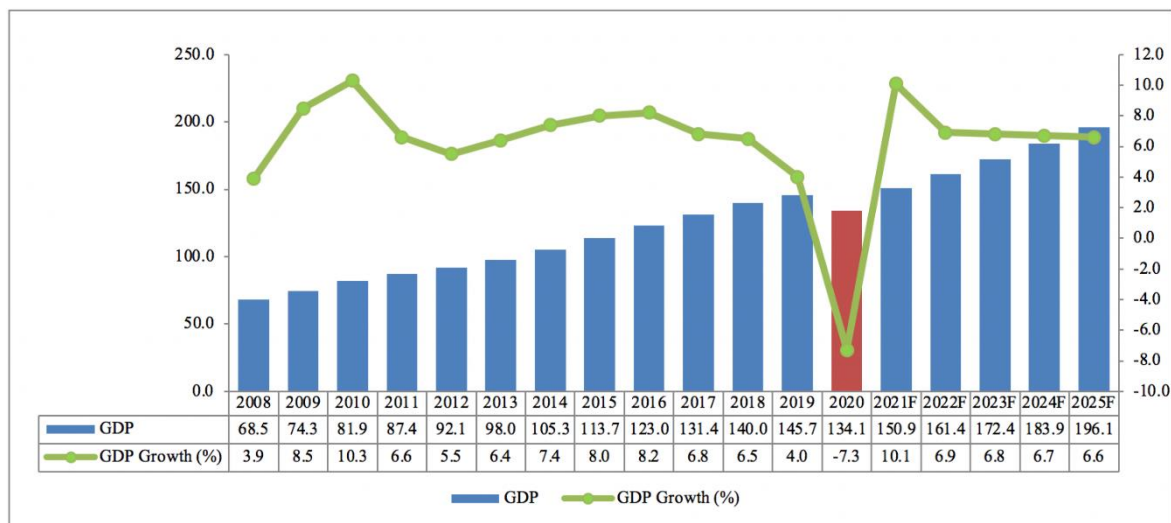


Source: World Economic Outlook, International Monetary Fund Estimate, Moody's Outlook, Frost & Sullivan

Emerging market and developing economies are forecast to expand 6.4% this year, supported by higher demand and elevated commodity prices. However, the recovery in many countries is being held back by a resurgence of COVID-19 cases and lagging vaccination progress, as well as the withdrawal of policy support in some instances. China is expected to rebound by a more modest 8.4%. The recovery among emerging market and developing economies is forecast to moderate to 5.1% in 2022.

Inflation Rate Growth in India vs World

Inflation Rate (end of period consumer prices) (%) 2012 – 2025F:



Source: Moody's Outlook, Moody's press release 2020, International Monetary Fund Estimate, Dun and Bradstreet, Frost & Sullivan

The Reserve Bank of India's (RBI) target range for CPI inflation is 2.0% to 6.0% for 2021. The consumer price inflation is expected to average at 3.7% in 2021.

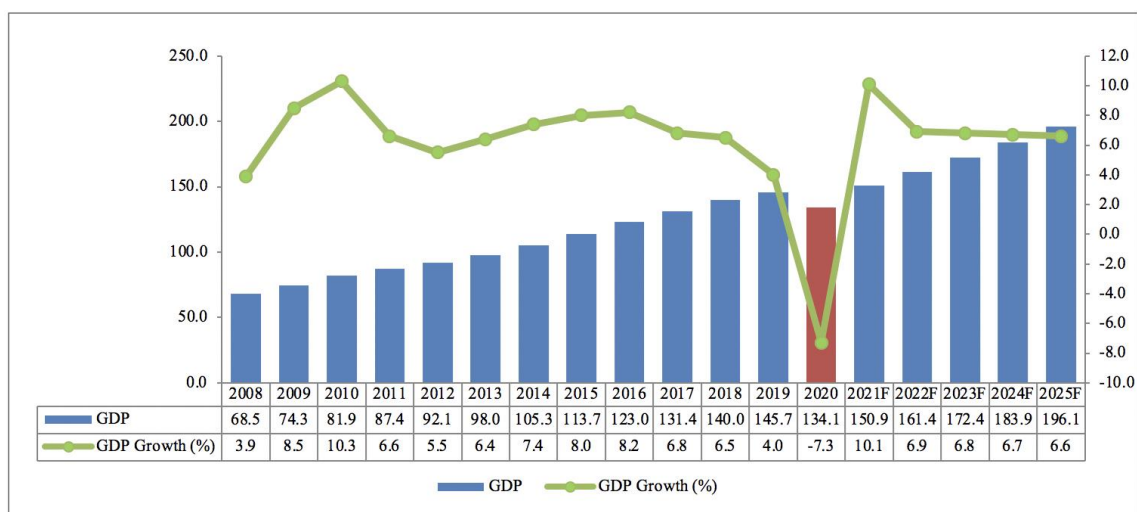
The global inflation curve has by large been on the downward curve since 2012 this is largely because the global commodity prices. Commodity prices fell sharply in this period following fall in prices of Brent crude by ~18%. The fall in the prices of the commodities came as a result of slackening demand from China, the single largest commodity consuming country. At the start of this decade, data shows GDP growth and industrial productions have fallen to 3-year lows in China. Another factor affecting global commodity prices was uncertainty in the Euro zone. Business confidence in Germany had dropped to a two-year low, US manufacturing declined and China's factory sector contracted.

The availability of covid-19 vaccine, could now unleash a pent-up demand, bringing along inflation. A return to pre-pandemic lives may bring a surge in spending, which may poise inflation for a comeback. A weaker dollar and high liquidity could result in higher commodity prices as well and therefore could be inflationary. The Federal Reserve has announced that it will adopt an average inflation target going forward that will allow inflation to run above 2% post vaccine announcement, to support the pandemic-struck economy.

Macroeconomic Overview of India

Gross Domestic Product (GDP) Growth and Outlook

Real GDP Value, at constant price (₹ 000' billion) and Growth %, India, 2008 to 2025F



Source: Moody's Outlook, Moody's press release 2020, International Monetary Fund Estimate, Dun and Bradstreet, Frost & Sullivan

Demographic Overview of India

Population Growth

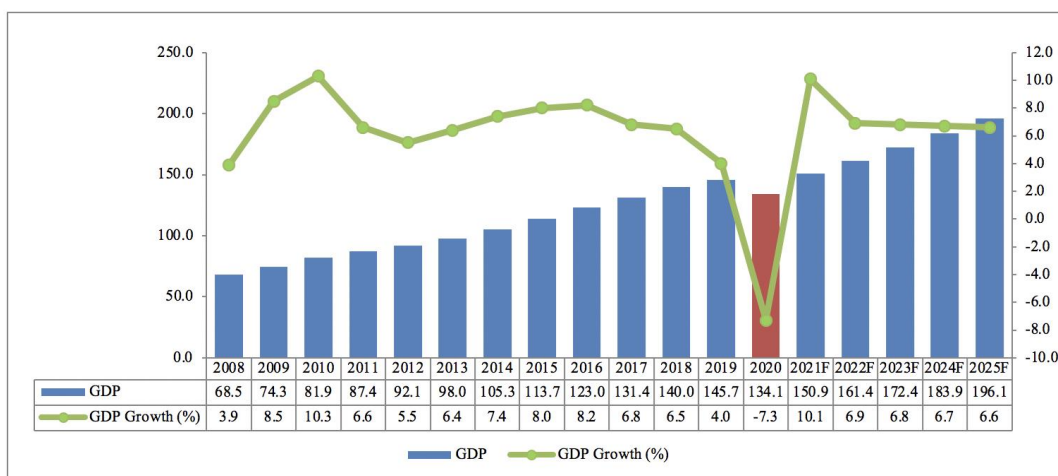
With a population of 1.35 billion in 2019, India is the second largest populated country in the world. The population is estimated to grow at a CAGR of 1.3% during 2019-2025F replacing China and making it the most populous country in the world.

The country has a relatively young demographic profile, with an average median age of 28.2 years by 2020; one of the lowest globally as compared to 37.2 years in the US, 45.8 years in Japan and 36.3 years in China (as per Print Week).

Urbanization

The growing urban population of India has led to an increase in the urbanization of the country. There has been a drastic increase in urban towns and cities in the country over the past few years. There are almost 10 million people migrating to cities and towns every year. India's urban population has increased from 27.8% in 2001 to 32.8% in 2015 and is expected to further increase to 34.9% in 2020.

India Urban Population (%), 2010-2020, Forecast 2050



Source: Moody's Outlook, Moody's press release 2020, International Monetary Fund Estimate, Dun and Bradstreet, Frost & Sullivan

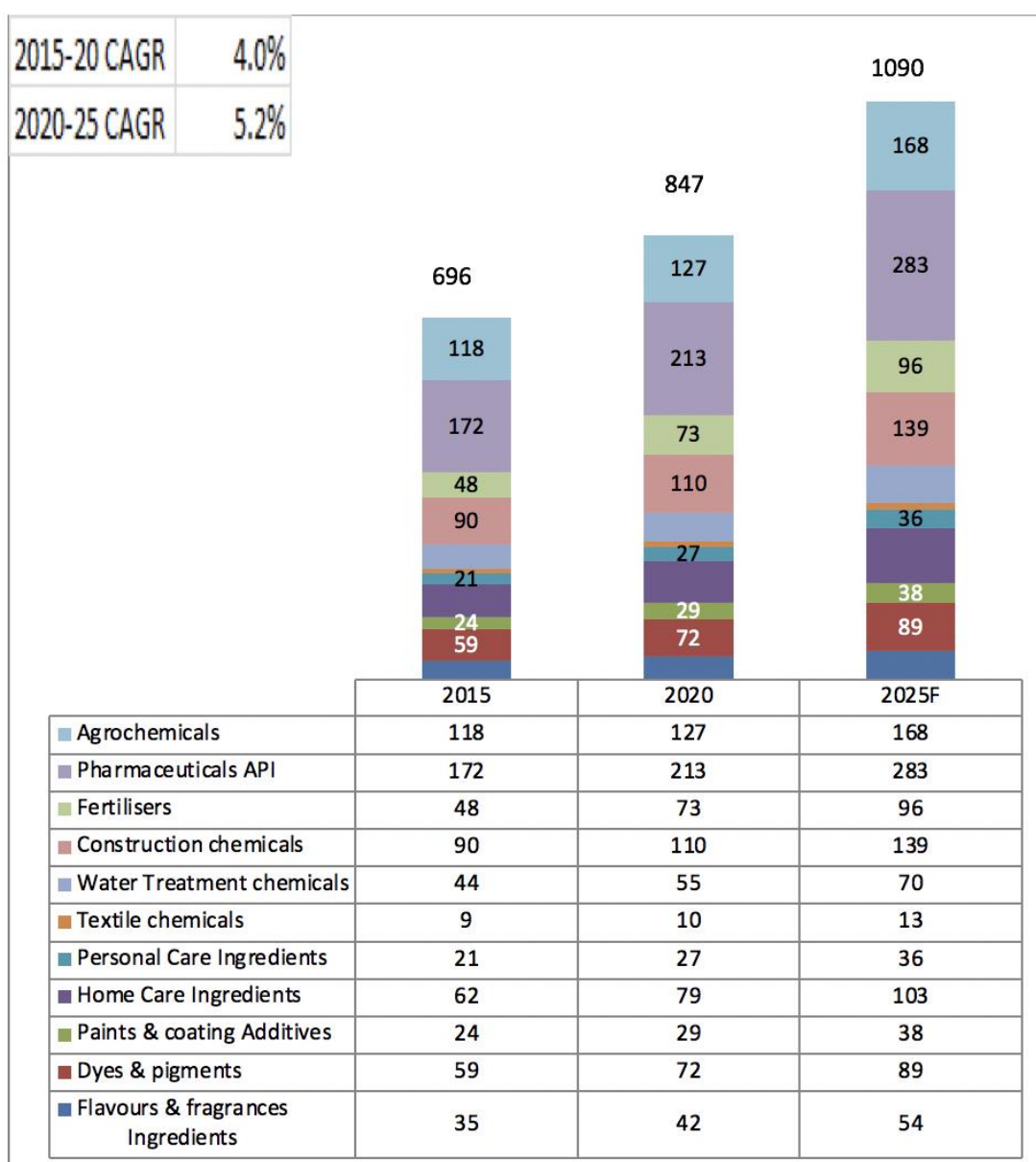
The high economic growth, higher standard of living and increasing opportunities in the cities have led to urbanization, which has further added pressure on these cities in terms of infrastructure and housing. This has resulted in disordered urbanization and disparity in the market owing to the demands of the growing population. However, in order to cope up with this scenario the government has been working on planned urbanization, providing affordable housing to the poor by developing innovative housing finances.

OVERVIEW OF GLOBAL CHEMICALS AND SPECIALTY CHEMICALS

Global Chemicals market overview

The global chemicals market is valued at around US\$ 5,027 billion with China accounting for major market share (39%) in the segment followed by European Union (15%) and United States (13%). India accounts for ~4% market share in the global chemicals market. The global chemicals market is expected to grow at 6.2% CAGR; reaching US\$6,780 billion by 2025. Going forward the APAC is anticipated to grow at the fastest rate of 7-8% during the forecast period (2019-25F). The chemicals markets in Western Europe, North America, and Japan are relatively mature and hence would record slow growth rates of around 3-4%.

Global Specialty Chemicals Market, Value by segment (USD billion), 2015, 2020 and 2025F



| CAGR | Agrochemicals and fertilizers | Pharmaceutical API | Dyes and Pigments | Paints & Coatings Additives | Home Care Ingredients | Personal Care Ingredients | Textile Chemicals | Water Treatment Chemicals | Construction/ Infratech Chemicals | Flavours & Fragrances Ingredients | Total |
|----------|-------------------------------|--------------------|-------------------|-----------------------------|-----------------------|---------------------------|-------------------|---------------------------|-----------------------------------|-----------------------------------|-------|
| 2015-20 | 5.4% | 4.4% | 4.1% | 4.2% | 5.0% | 4.9% | 2.5% | 4.3% | 4.1% | 3.9% | 4.0% |
| 2020-25F | 5.7% | 5.8% | 4.3% | 5.0% | 5.4% | 6.2% | 3.8% | 5.0% | 4.8% | 5.2% | 5.2% |

Source: Frost & Sullivan

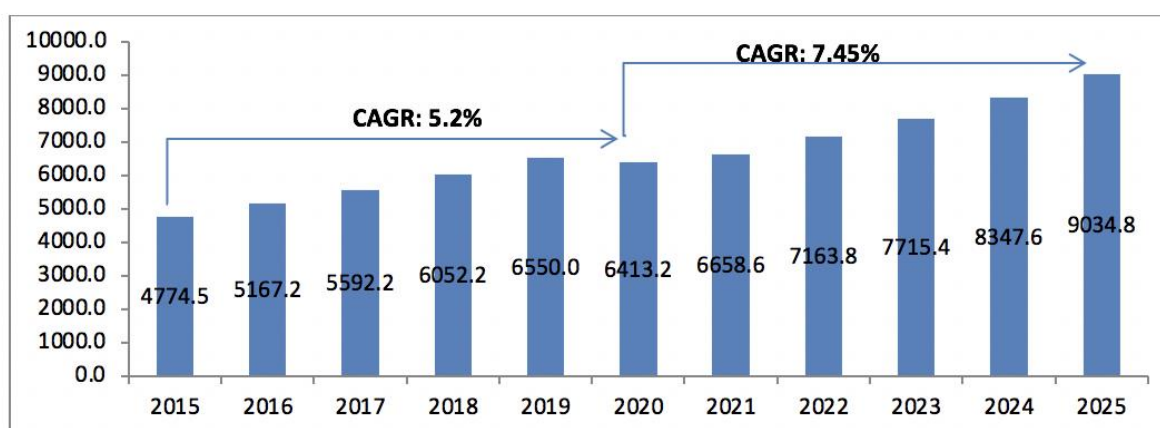
Paints

In 2020, the Global Paints market was ~48 billion liters valued at US\$160 billion, with a ~5.5 % compound annual growth rate (CAGR) through 2025. This will be driven by an expected growth in global manufacturing activity and increasing demand for paints and coatings used in the production of motor vehicles, durable goods, and industrial maintenance applications. Following are some of the critical success factors for the players involved in paints sector –

1. **Innovative manufacturing processes** - Introduction of various innovative manufacturing processes and technologies have helped companies to instantly mitigate to numerous potential negative impacts and maximize their opportunities for carrying growth to the decorates & glaze products.
2. **Low VOC (Volatile Organic Compounds) content** - From the past decade, innovative formulation technologies have significantly facilitated to cater to numerous new and diverse consumer demands. Anticorrosive protection, low-VOC content coats, and nano-coatings are few of the recent innovations available in the present market
3. **Coating Emulsions market**

The Emulsions market was valued at US\$ 6,413 million in 2020, and is projected to reach US\$9,035 million by 2025 growing at a CAGR of 7.45% from 2020 to 2025. Asia is expected to be the highest contributor to this market, with \$ 1,332.8 million in 2020, and is anticipated to reach \$ 1,954 million by 2025, registering a CAGR of 8.51%. Asia and North America collectively expected to account for about 62.6% share of the emulsions market in 2019, with the former constituting around 32.8% share. Asia and Europe are expected to witness significant growth rates at a CAGR of 8.51% and 6.91% respectively, during the forecast period.

Global Emulsions Market Value, 2015 to 2025F (US\$ million)



Source: Frost & Sullivan

Following are some of the critical success factors for the players involved in emulsions sector –

1. **Environmental friendly products** - The shift in trend towards the adoption of environment-friendly paints and coatings coupled with the favourable regulatory scenario is likely to support the development of low VOC content or VOC-free paints and coatings. This has led to the initiation of emulsion polymerization in the global market.
2. **Foraying into Latest technology** - Emulsion polymerization technique produces high molecular weight polymers with little viscosity. However, polymers can also be tailor-made according to their usage to display the desired morphology and composition.

Adhesives

The global adhesives and sealants market is set to gain traction from the increasing adoption of adhesive tapes by engineers from numerous fields, especially aviation and automotive. These tapes can be drawn into films and can be formulated with multiple viscosities.

The global Adhesives market is valued at around US\$47 billion. The global Adhesives market is expected to grow at 5.9% CAGR; reaching US\$ 63 billion by 2025.

Global adhesives market is expected to rise pertaining to increasing demand from construction industry. The adhesives are used as an alternative to joining materials and sealants are used as mechanical seal for blocking fluid passage owing to wide demand for adhesives and sealants from construction industry. The industry is rising globally pertaining to construction of hospitals and quarantine centres due to coronavirus outbreak. Following are some of the critical success factors for the players involved in emulsions sector –

1. **Strong portfolio in packaging adhesives-** Growth in flexible packaging, paper & board packaging, and rigid packaging segments will drive the demand for packaging adhesives, companies
2. **Presence in water based PSA (Pressure Sensitive Adhesives) -** Water base and dextrin/starch based adhesives are the widely used adhesives in the packaging industry, which together occupy more than 70 percent of packaging adhesives. These two are the majorly used adhesives in labeling and corrugated boxes applications especially by food and beverages

The emerging market and developing economies are expected to lead the overall growth rebound, with the chemicals sector driving the growth story.

As the chemical industry lies at the heart of several value chains and acts as a solution provider to other sectors of the economy, it plays a pivotal role in leading a sustainable recovery. Today, chemical innovations already contribute to several sustainable development challenges such as energy and climate, transport, health and food, among others. The chemicals and materials sector can leverage both direct and indirect stimulus programmes, and can strengthen their broader impact to provide shared value across business and society.

Impact of COVID 19

Global manufacturers have initiated talks with Indian firms to explore the possibility of shifting a part of their supply chains from China as they seek to diversify their operations following the covid-19 outbreak. First of the lot are companies interested in sourcing automobile components and electronic products from India. In the chemicals sector, India could become global specialty chemical export hub. The key growth accelerator would be our readiness in responding to the strong demand of key global markets to de-risk their supply chain by diversifying their base beyond China. In a way China's loss is India's gain. The tightening of environmental protection norms in China since January 2015 resulting in increase in operating costs, closure and relocation of manufacturing facilities along with rising labour costs and the recent trade dispute between China and United States have reduced Chinese exports and resulted in shifting the source of key raw materials from China to India. Local sourcing and global companies shifting base to India is expected to boost manufacturing sector of India. In a nutshell, India is on a growth trajectory with Indian companies opting for local sourcing and bulk of Global companies shifting their base to India.

Impact of Covid-19 on industries relevant to our Company:

The global paints and coatings market is expected to at a CAGR of 5.5% over 2020 -2025. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges.

Antiviral and Antimicrobial paints will grow. This is already happening as the demand for antiviral and antimicrobial paints has skyrocketed as a result of the pandemic; some of these paints have seen four to five times demand increases this year. We expect that the long-term sustainable demand for these products will be at least twice that of pre-pandemic level However, the COVID-19 pandemic has severely impacted the market growth in the building and construction sector. Stoppage of all construction projects, movement restriction, production halt, and shortages of labor to contain the COVID-19 outbreak has led to a decline in the growth of the construction industry, which, in turn, is anticipated to hamper the demand for paints and coatings in the architectural and decorative applications in the near future.

Moreover, India's specialty chemical companies are gaining favour with global multinational corporations because of the geopolitical shift after the new coronavirus outbreak as the world looks to reduce its dependence on China. Increasing tariff levels and changing environmental policies in China along with 'Make in India' initiative and a permit to 100% FDI from India, would add more possibilities of specialty chemicals manufacturing base shifting from China to India. With the rapid

globalisation and opening up of the Indian economy, "Intellectual Capital" has become one of the key wealth drivers in the present international trade. Intellectual property rights have become significantly conspicuous on the legal horizon of India both in terms of new statutes. India ratified the agreement for establishing the World Trade Organization (the "WTO"), which contains the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). Indian Statutes, enforcement provisions and methods of dispute resolution with respect to intellectual property (IP) protection are fully TRIPS-compliant. India has laws covering various areas of intellectual property as Trade Marks, Patents, Copyrights and Related Rights, Industrial Designs, Information Technology and Cyber-crimes, Data Protection among others. Favourable government policies will encourage growth in industry.

The government is also expected to introduce a production-linked incentive scheme for the agro-chemicals sector with incentives of 10-20% output and creating an end-to-end manufacturing ecosystem through cluster development. The sector can progress by adopting a multi-pronged approach by leveraging the reforms in rules and regulations as well as 'Make in India'. Indian government has set up a 2034 vision for the chemicals and petrochemicals sector to seize the opportunities to strengthen domestic manufacturing, reduce imports and attract investment for manufacturing key chemicals in the country. The government has taken initiative to promote and facilitate 'Aatmanirbhar Bharat' (self-reliance India) in the chemicals and petrochemicals sector.

India – Racing Ahead of China

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

The Chinese government started implementing stricter environmental protection norms from January 2015. With the focus on controlling pollution, the Chinese Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals. Some of the major steps taken were:

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

Lower Corporate tax rate

India is taking initiatives to boost manufacturing sector. To encourage investment in the manufacturing sector, the Indian government has taken proactive steps, including offering competitive tax rates.

Ease of Business

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

External Debt

On comparing debt portion of both the countries, India has low amount of debt as compared to China and even USA. As of Dec 2019, India owes ~US\$ 564 billion whereas China owes ~US\$2 trillion dollars. This indicates China is a more debt-ridden country as compared to India.

India is emerging as a preferred hub for speciality chemicals industry

Chemicals - The Recovery Driver

As economies are gradually reopening for business, companies are turning their attention to recovery.

- Specialty chemicals to drive growth; Agro-chemicals and Pharma-chemicals to be focus areas:** Post the opening of the lockdown across major global economies, the specialty chemical industry was amongst the first to recover, given the increasing need for its inputs towards essential supplies such as pharmaceuticals, personal health and hygiene and agrochemicals. This sector is expected to be the key driver for growth in the chemicals sector, out-pacing petrochemicals and other bulk chemicals in the next 2-3 years.
- China’s loss, India’s gain:** Several global players are opting for a “China + 1 offshore strategy”, with capacities shifting to cost efficient markets with strong technology capabilities like India. Stringent environmental regulations and increased cost of labor have already stifled growth in China, which contributes 35-40% to the global chemical industry. The pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Japan's announcement to offer incentives to companies shifting base from China to India further proves the desperation engulfing countries to reduce dependence on China and develop local supply chains. JVs / Technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights. China's Chemical Industry is very large, approximately 10 times, as compared to India; even a small shift from China to India will be a big boost for India. The spillover impact of China’s declining competitiveness has set the stage for India to intensify its effort to capture larger market share.
- US China Trade War:** Four years and a new president later, US tariffs on Chinese products remain. Even after the Phase One trade deal (meant to be the first in a series of deals) was signed in January 2020, US tariffs on Chinese products remained in place.

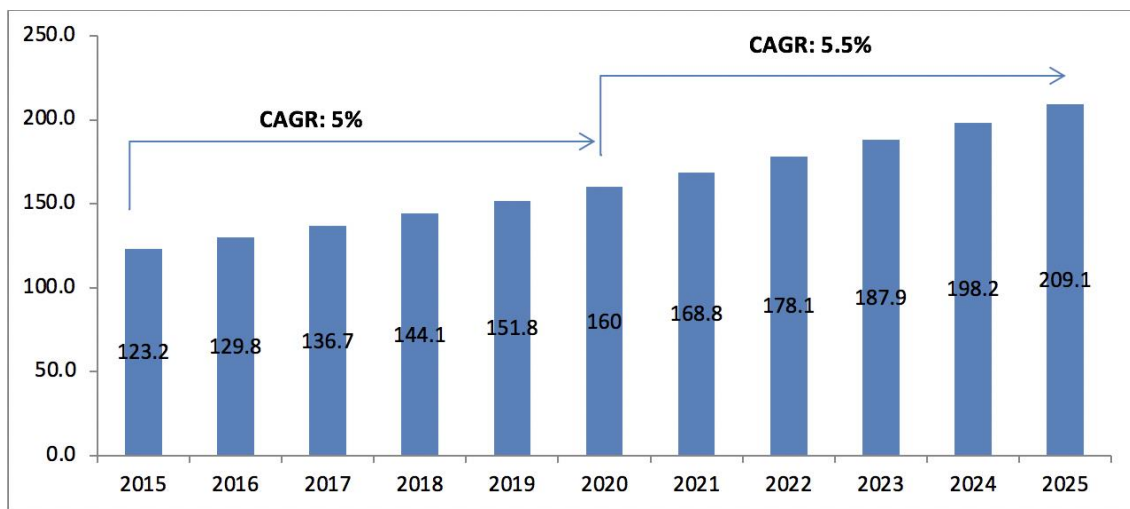
The powering trend of de-risking of input procurement from China by global chemical leaders offers great export as well as domestic sales opportunity for Indian specialty chemical industry.

PAINTS & COATINGS INDUSTRY OVERVIEW

Global Paints & Coatings industry overview – market size – historical and projected

In 2020, the Global Paints & Coatings market was ~48 billion liters valued at US\$160 billion, with a ~5.5 % compound annual growth rate (CAGR) through 2025. This will be driven by an expected growth in global manufacturing activity and increasing demand for paints and coatings used in the production of motor vehicles, durable goods, and industrial maintenance applications

Global Paints and coatings market, 2015 to 2025F (\$ billion)



Source: Frost & Sullivan

Paints and coatings market value chain

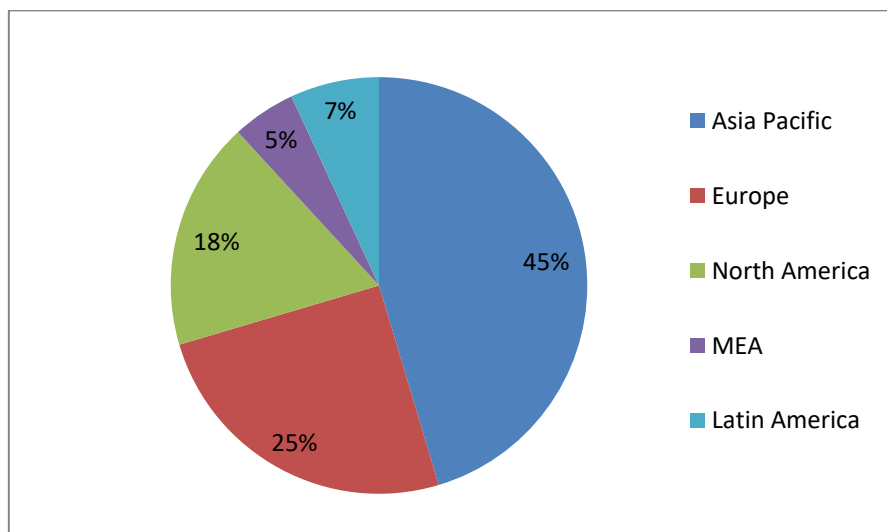


Our Company manufactures coating emulsions that are used as binders in paints and is the top supplier to paint manufacturers.

Market segmentation by geography – historical and projected

In terms of revenue and volume, Asia Pacific held the largest market share in 2020 and is expected to continue to do so during the projected period. This can be attributed to China's, Japan's, and India's growing building and construction sectors, as well as their automobile industries.

Global Paints market segmentation by Geography, 2020, US\$ 160 billion

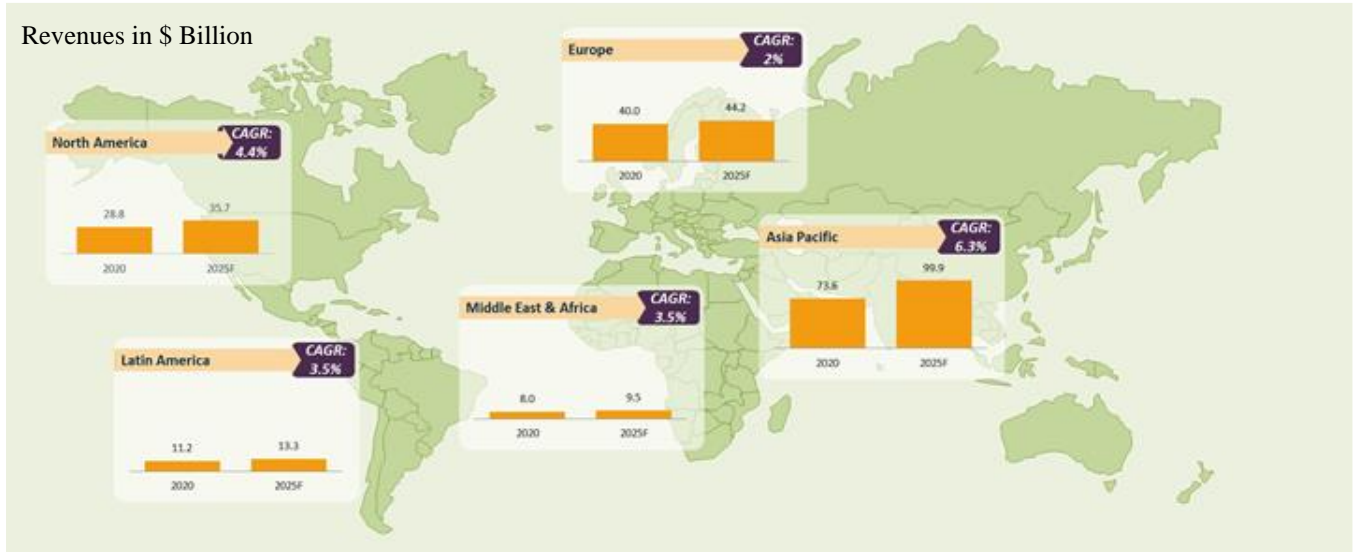


Source: Frost & Sullivan

The United States is one of the world's largest users of paints for automotive and construction applications.

Over the projected period, APAC is predicted to outperform all other regions, growing at a CAGR of 6.3%. In the meantime, growth in the European regional market is predicted to pick up to 2% in the same timeframe.

Global Paints and coatings Industry size by Geography – forecast - 2015-2025F



Middle East and Africa paints and coatings

In 2020, the Middle East paints and coatings market is expected to be worth more than US\$ 8 billion, with a CAGR of more than 3.5% expected during the forecast period (2021-2026).

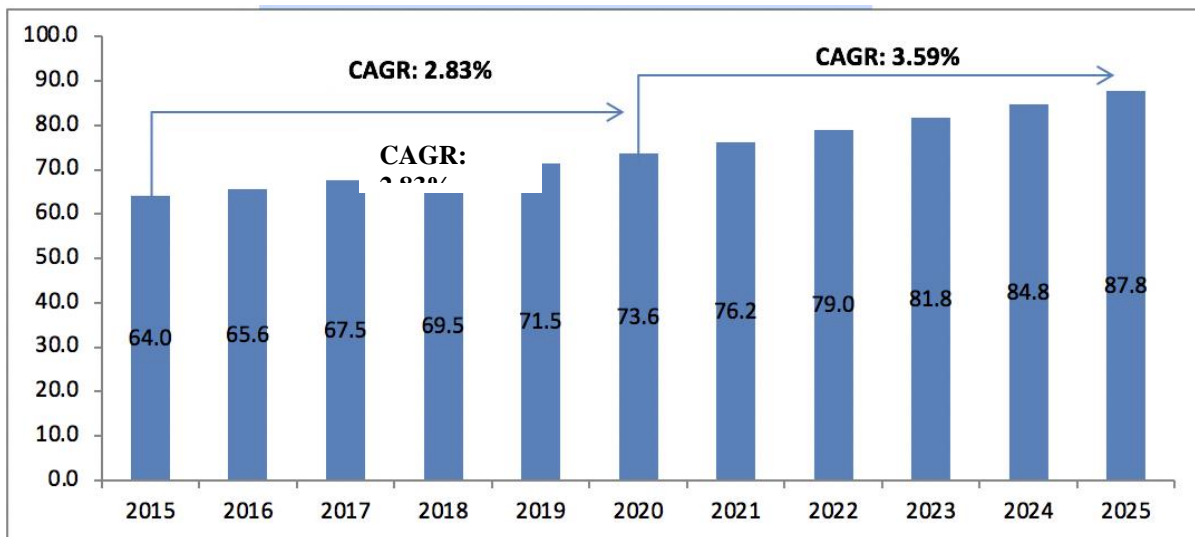
South East Asia paints & coatings

This sub-region includes Indonesia, Vietnam, Thailand, Malaysia, the Philippines, Singapore, Cambodia, and Laos. These markets comprise 10% of the volume and 11% of the value of the Asia Pacific paints and coatings market. Similar to South Asia, these markets offer some good growth potential. Decorative paints and coatings comprise about 70% of the paint and coatings market volume in these countries versus 50% for Asia Pacific as a whole.

Global Architectural Paint market overview

In 2020, the Architectural Paints & Coatings market was valued at US\$73.6 billion and is forecasted to advance 4.5% per year through 2025 to US\$87.8 billion. Architectural paints and coatings are used to decorate and protect new and existing residential, commercial, institutional, and industrial structures the demand for architectural paints and coatings varies with the building and resale markets.

Global Architectural Paints and coatings market, 2015 to 2025F (US\$ 73.6 billion)



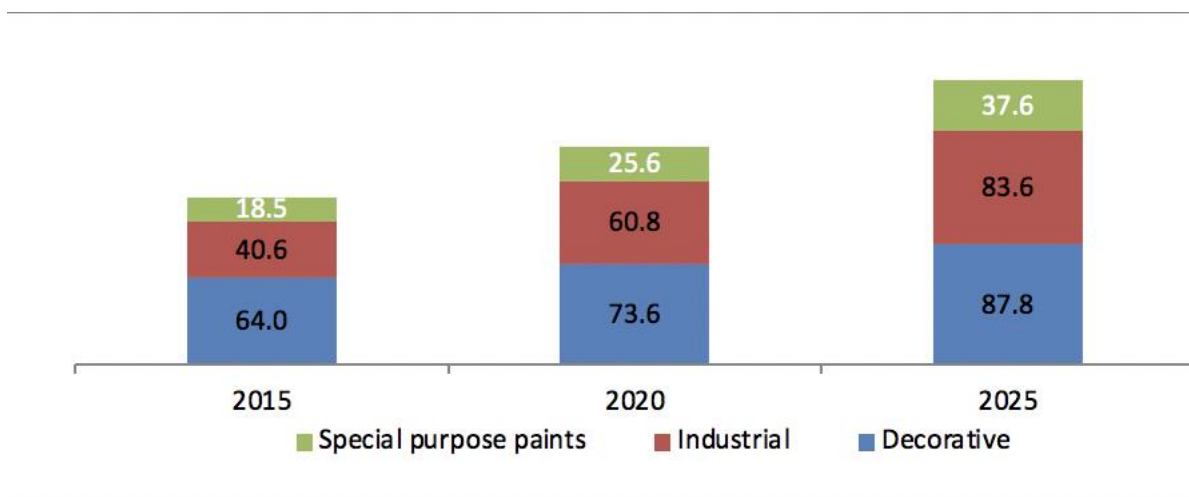
Source: Frost & Sullivan

Paint and coatings, on the other hand, are frequently required for housing and nonresidential building construction, which has persisted despite slowdowns and pauses in a number of places throughout the world. A considerable number of homeowners chose to repaint their homes during the epidemic, which boosted the residential market.

As these markets recover in 2021, demand for paint will rise, which is likely to remain relatively strong in the long run due to continued healthy growth in both residential and nonresidential markets, particularly in developing countries.

Our Company supplies emulsion primarily to the Architectural/decorative paint category in India as well as globally. The architectural and decorative segment accounted for 46 % of the total value of the global paints and coatings market. The architectural and decorative segment, on the other hand, accounted for 51% of the US market.

Global Paints and coatings Industry size by end industry – forecast - (\$ billion), 2015-2025F



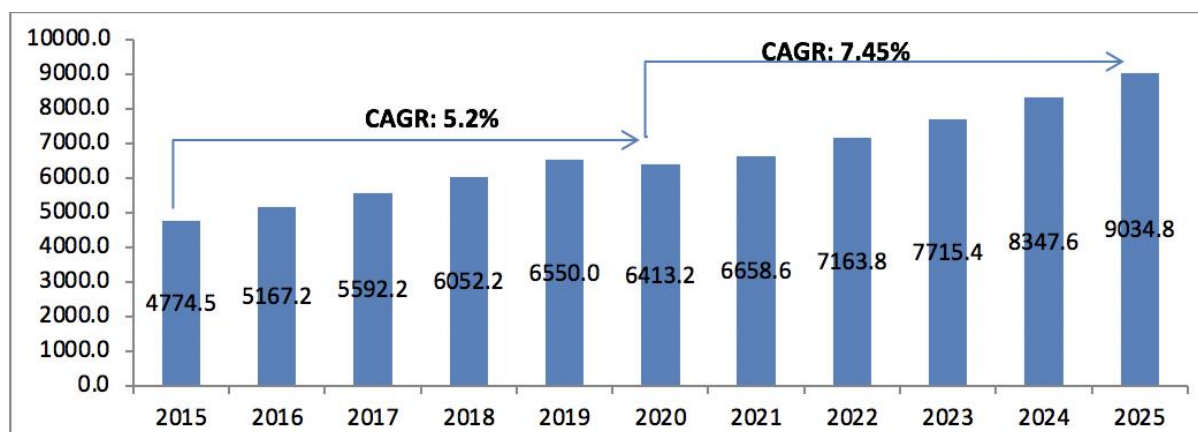
Source: Frost and Sullivan analysis

Architectural paints are applied to new and existing residential, commercial, institutional, and industrial structures to adorn and protect them. The demand for architectural paints varies with the building and resale markets. We expect demand to grow primarily due to continued urbanization in APAC (which currently holds the largest share of the Architectural market at 43 % in volume and 34 % in value) and North America, which will be aided by the housing market's continued recovery and demand for remodeling activities.

Coating Emulsions market

The Emulsions market was valued at US\$ 6,413 million in 2020, and is projected to reach US\$ 9,035 million by 2025 growing at a CAGR of 7.45% from 2020 to 2025. Asia is expected to be the highest contributor to this market, with US\$ 1,332.8 million in 2020, and is anticipated to reach US\$ 1,954 million by 2025, registering a CAGR of 8.51%. Asia and North America collectively expected to account for about 62.6% share of the emulsions market in 2019, with the former constituting around 32.8% share. Asia and Europe are expected to witness significant growth rates at a CAGR of 8.51% and 6.91% respectively, during the forecast period.

Global Emulsions Market Value, 2015 to 2025F (US\$ million)

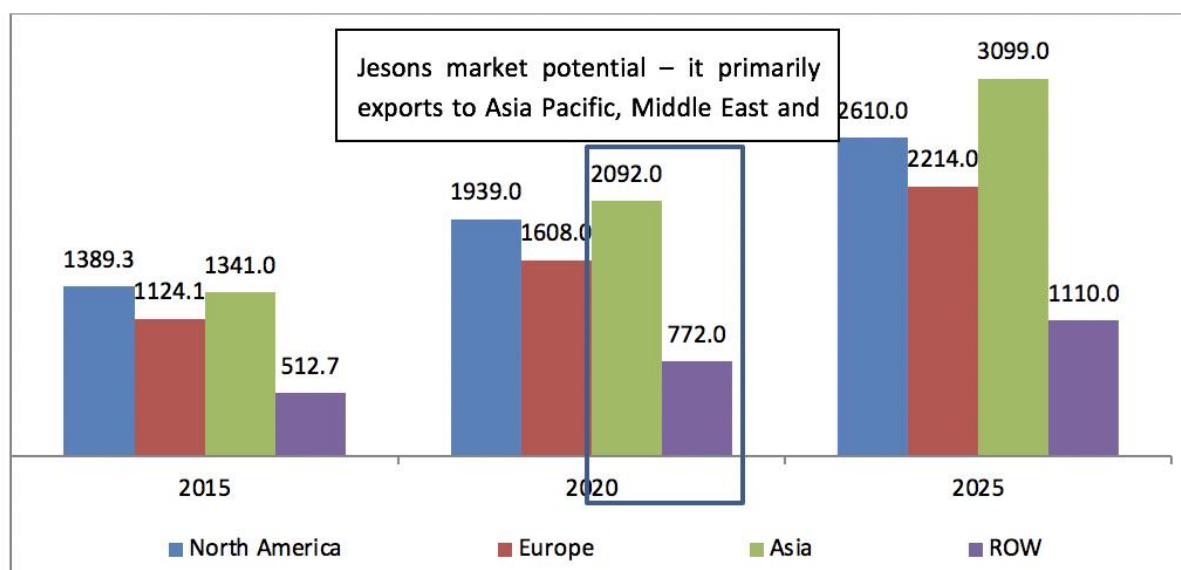


Source: Frost & Sullivan

Note: Emulsions constitutes 20-25% of a typical paint product

Global Emulsions Market Value, by Geography – forecast - (\$ million), 2015-2025F

2025F



| Region | North America | Europe | Asia Pacific | RoW |
|--------|---------------|--------|--------------|-------|
| CAGR | 6.51% | 7.01% | 8.74% | 8.03% |

The major types of acrylic emulsions are pure acrylic, and polymer & copolymer. The polymer & copolymer segment is projected to lead the type segment of the acrylic emulsions market in terms of value and volume, during the forecast period. This is due to the wide usage of these emulsions in the manufacture of water-based coatings for architectural paints & coating applications.

Water based Paints segment is expected to be the highest contributor to this market, with US\$ 2,778.4 million in 2019, and is anticipated to reach US\$ 5,018.6 million by 2029, registering a CAGR of 7.10%. Water-based Paints and Adhesives & Sealants segments collectively expected to account for about 70.6% share of the Emulsions market in 2019, with the former constituting around 42.4% share. In Decorative Paints segment, Water-based Paints contribute to nearly 75% by value.

The Water-based Paints market was valued at US\$ 2,707 million in 2020, and is projected to reach US\$ 3723 million by 2025 growing at a CAGR of 7.10% from 2020 to 2025. Asia is expected to be the highest contributor to this market, with US\$ 872 million in 2020, and is anticipated to reach US\$ 1,261 million by 2025, registering a CAGR of 8.17%.

Asia and North America collectively expected to account for about 62.4% share of the Water-based Paints market in 2020, with the former constituting around 31.9% share. Asia and Europe are expected to witness significant growth rates at a CAGR of 8.17% and 6.61% respectively, during the forecast period. Presently, share of these two sub-segments is estimated to be around 57.6% in the overall Water-based Paints market in 2020, and is anticipated to reach 59.8% by 2025.

Residential Market Continues to Drive the Global Architectural Paint Market

Residential structures account for the vast majority of demand for architectural paints and coatings, amounting to 73% of the market in 2020. However, residential building construction represented just over half of overall global building construction activity. The residential market’s size is attributable to the fact that the aftermarket for architectural paint in residential buildings is much more important than that for nonresidential buildings.

Going forward, the residential market will maintain its dominant position in the global architectural paint market, supported by advances in new housing construction and remodeling activity worldwide.

In addition to the strength of the architectural paint subspace, other secondary trends provide optimism for the overall paints and coatings market:

- Packaging coatings (mainly for beverage/food cans) are expected to rise steadily until at least 2022.

- Antiviral and antimicrobial paints will become more popular (some of these paints have seen four to five times demand increases this year).

There may be opportunities for growth with green or sustainable paints as some of the major governments have been discussing whether to increase environmental regulations

- India's per capita paint consumption rose by a CAGR of ~7.0% in the last seven years from 2.6 kg in FY12 to 4.3 kg in FY20. Compared to the global average consumption of ~14-15 kg per capita, India, despite the enormous size of the industry, is far behind. The industrial sector aided by impetus in infrastructure, is expected to drive the GDP growth, resulting in increased consumption of paints and coatings
- The increasing GDP per capita and a growing middle class population are expected to raise the per capita paint consumption by 30 – 40% during FY20-FY22
- Increasing urbanization coupled with rise in disposable income is leading to an increased spend on decorative paints

Asia-Pacific expected to dominate the Market Growth

Asia-Pacific had the largest share in the market, accounting for more than 40% of the global market in 2021. Rapidly growing construction industry, primarily in China and India, is a major factor driving the demand for paints and coatings in the region.

Replacement of Solvent-borne with Waterborne Coatings Driven by VOC Regulations

With the European Commission revising the upper VOC limit for architectural paints and varnishes to 30g/l for waterborne and solvent-borne interior flat coatings and primers, and 40 g/l for exterior paints, the customer preference for waterborne coatings has been increasing. In response to this, suppliers are focusing on low-VOC and zero-VOC, as waterborne coatings are expensive compared to solvent-borne ones. This boosts the average price, which in turn drives revenue in the market.

The increase in usage of water based paints creates ample opportunity for emulsions manufacturing companies as emulsions are used in manufacturing of water based paints

Key Challenges in the global paints and coatings market

Substitution of Coatings with Decorative Concretes, House wraps, and Wallpapers

Substitute materials such as decorative concrete and house wraps do not require frequent maintenance unlike architectural coatings. The necessity of repainting at an interval of 2-3 years for interior applications and 4-5 years for exterior applications makes architectural coatings an expensive option compared to other materials. Customer trends are also moving towards exposed walls in interior design where bricks, marbles, and stone are left untreated and unpainted to gain a raw, historic look in the room. This trend is likely to restrain the demand for architectural coatings in interior wall paint applications.

Highly Mature Western European Market

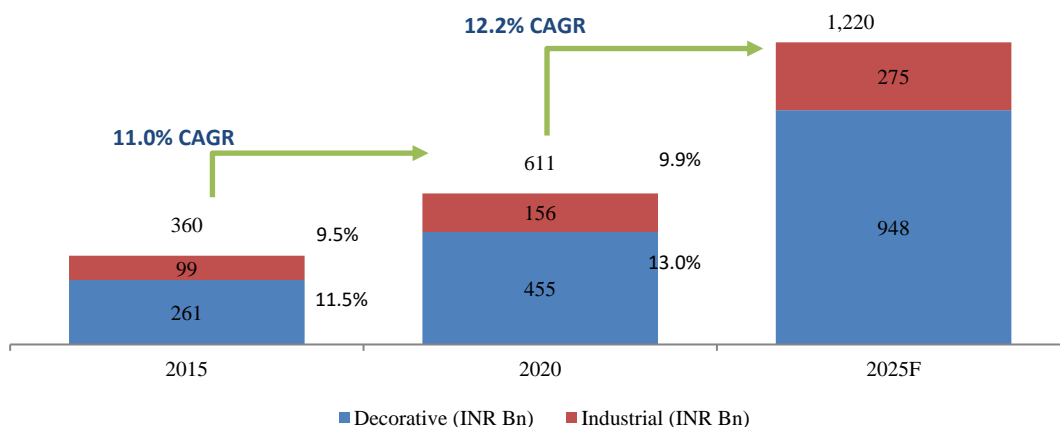
The market demand for architectural coatings in Western Europe is mature, with Germany, France, and Spain being highly saturated markets. The number of residential and commercial buildings that are expected to commence in the short and medium terms is comparatively lower in Western Europe. This is likely to restrain growth opportunities for architectural coatings in the region.

Indian Domestic paint industry

The Indian paint industry is one of the key industries holding a decent share in the country's GDP. The industry has registered a growth at a CAGR of ~11% during 2015-20; ~2x of GDP's growth rate. The high growth trajectory and the shift of preference toward odour free, and dust & water resistant paints can be attributed to the rise in urbanization, growth in the popularity of branded paints, shortening of the re-painting cycle and robust pricing power prevalent in paint industry. An uptick in demand is expected for both the decorative and industrial paints during the forecast period with the massive infrastructure moves by the Government of India – from roads to ports; from smart cities and urban mission to the Housing for All schemes.

India Paints Industry Market - by Product Type,

Value (₹ billion), 2015, 2020, 2025F



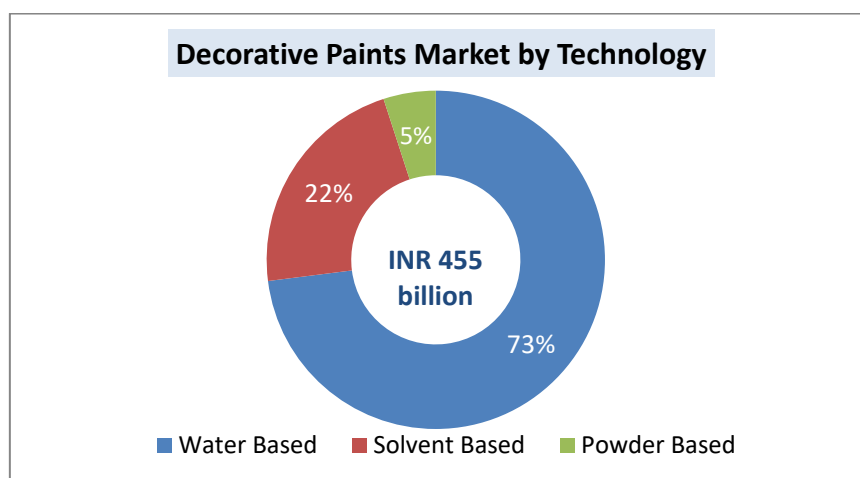
Source: Company websites, Coatings World, News Articles, Frost & Sullivan

The decorative and industrial segment split is tilted towards the former with the decorative segment constituting around 74% of the total paint sales; resulting in the paint sector growing at a robust rate even amidst the industrial slowdown.

The Indian Paint Industry currently valued at around ₹ 611 billion is poised to grow at a healthy rate and is expected to reach around ₹ 1,220 billion by 2025

Market Segmentation – By Technology (Industrial and Decorative)

Segmentation of India Decorative Paints Market by Technology, Value (₹ billion), FY2021

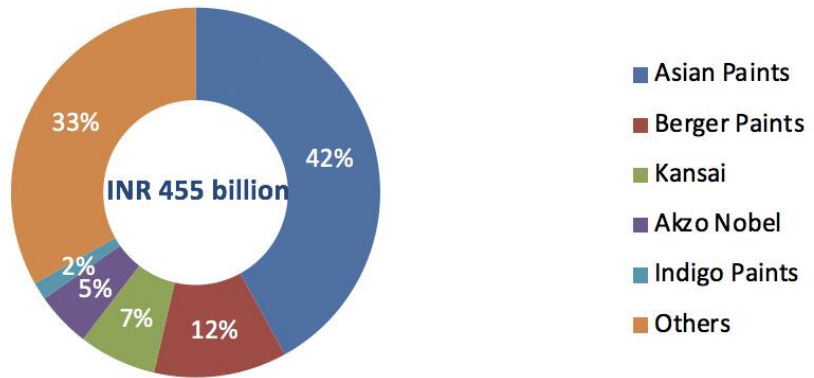


The consumption of water-based paints is rising globally, and the demand is expected to remain high as the Indian paint manufacturers are switching from solvent-based to water-based paints. Currently Water based Paints contribute to close to 75% of the Indian Decorative Paints segment (in terms of value)

The overall fluctuating prices of oil are creating a major pricing issue for paint companies. The slew of recent capacity increases announced by key paint firms is also more concentrated on water-based systems.

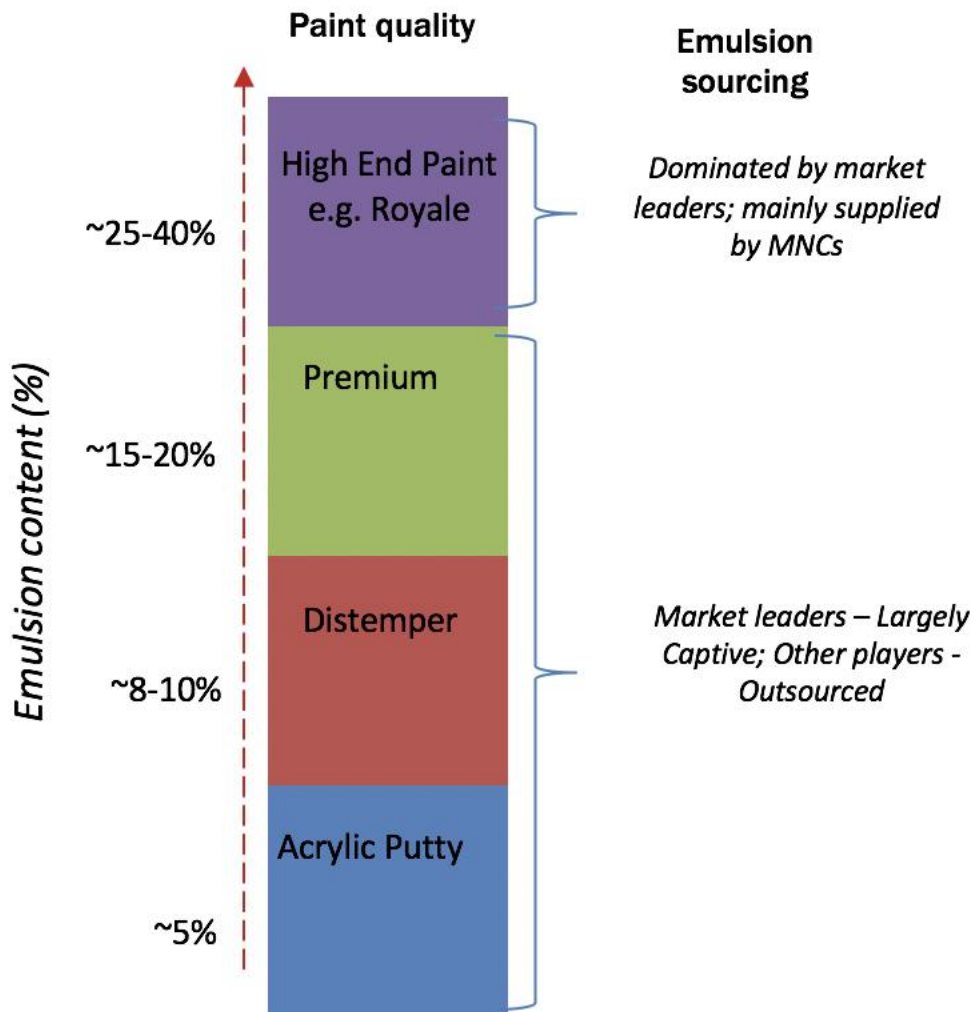
Competitive Landscape: Decorative Paints (₹ billion) FY2021

Competitive Landscape: Decorative Paints



Source: Company Websites, Frost & Sullivan

Emulsion Sourcing by Paint manufacturers



Larger players have their captive capacities for meeting ~75-80% of their requirements. They source high solid emulsions from players like BASF and Dow.

For other requirements, they mostly utilize their captive capacities or outsource to players like our Company. Our Company is expected to be the biggest beneficiary of outsourcing by the new entrants.

Growth Drivers in the Indian decorative paints sector

Government’s ‘Housing for All / affordable housing’ measures has helped fresh demand for painting and will help re-painting demand in the future.

Pradhan Mantri Awas Yojana (PMAY), an initiative by the Government of India ensures affordable house for all in the urban areas with a target of building 20 million affordable houses by 31 March 2022.

Under the PMAY-U, as per the ministry of Housing & Urban Affairs, a demand of 1.12 crore houses in urban areas has been validated.

Smart cities

In order to sustain the rapid urbanization in India, the Government of India/Ministry of Urban Development (MoUD) had launched the “Smart City Mission” in 2015. Through the Smart City Mission, the Government of India had announced its intention to develop 109 cities as Smart Cities by 2020. The construction of smart cities has led to larger number of commercial and residential complexes being created driving the demand for decorative paints.

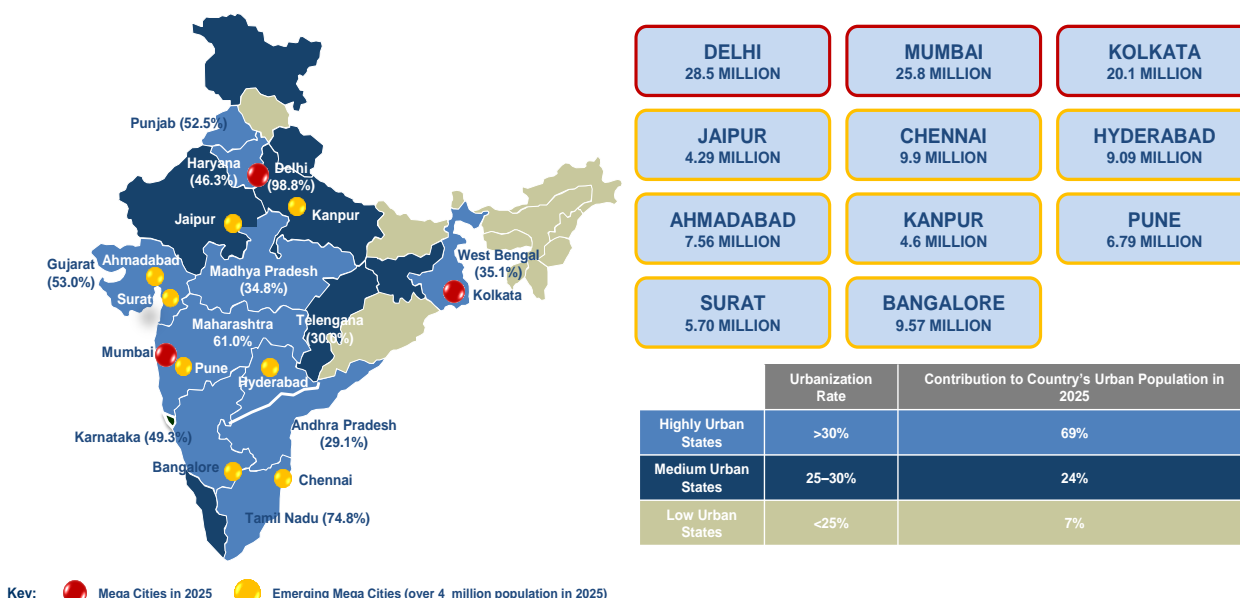
AMRUT - Atal Mission for Rejuvenation and Urban Transformation

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) had been launched by the Government of India with an aim of providing basic civic amenities such as water supply, sewerage, urban transport, parks to improve the quality of life for all, especially to the poor. Under this project the government will undertake the renovation of 500 cities.

Rapid growth of Urbanization

India's trajectory of urbanization has grown well from 25.6% in 1990 to 34.5% in 2019 (34.9% in 2020). The rise in urbanization, supported by demand for real estate and improved infrastructure, has boosted the paint application. The UN expects that by 2030 ~40% of the population of India will reside in urban areas.

Urbanization rate of highly Urban states and Mega cities, 2025F



Note: Mega City is defined as a city with population of over 8 million and GDP of US\$250 billion or more

Source: Department of Economic Affairs, Ministry of Finance, India and Frost & Sullivan, 2011

Real Estate Sector Growth

At a pan India level, the real estate sector in India is expected to reach US\$ 1 trillion by 2030. By 2025, it has been estimated to contribute 13% to the country’s GDP. The real estate stock in India was estimated at 3.7 million sq. ft. (msf) in 2019. Emergence of nuclear families, rapid urbanisation and rising household income are likely to remain the key drivers for growth of real estate.

Growth Drivers



Rapid Urbanization: Urban Indian population is expected to reach 600 million by 2030

Affordable Housing Initiative: The government's focus on providing 'Housing for All' will see a growth in affordable houses

Low interest rates: The government is providing low interest rates for affordable housing

Growth of Disposable Income: Increasing urbanization has led to increasing income levels driving the need for houses with affordable amenities

Access to Credit: Government initiatives such as Credit Linked Savings Scheme make credit available for low cost property buyers

Covid's positive impact on paints health and hygiene segment

The Covid-19 outbreak prompted Berger Paints to introduce 'Silk Breathe Easy Emulsion' (Ghar ka Sanitizer) under their category of home health & hygiene, which reduces contamination and destroys bacteria. The focus to bridge the gap between the customer's needs and availability with these differentiated products has helped Berger Paints to improve its market identity as well as its top-end premium portfolio.

In response to the Covid-19 pandemic and in an effort to strengthen its foray into the currently nascent 'Health and Hygiene' play, Asian Paints launched hand sanitizers and surface disinfectants recently under the brand name of 'Viroprotek'. The product is being manufactured at our Company's plant at Ankleshwar, Gujarat and it is taking steps to set up additional capacity for these products at the plant at Rohtak, Haryana.

Many players have launched anti-microbial paints etc. to capitalize the opportunity arising from the Covid-19 pandemic.

Our Company is expected to be the biggest beneficiary of outsourcing by new entrants, New age players like Indigo, JSW and Aditya Birla which outsource 100% of their paint emulsions needs.

Trend of outsourcing

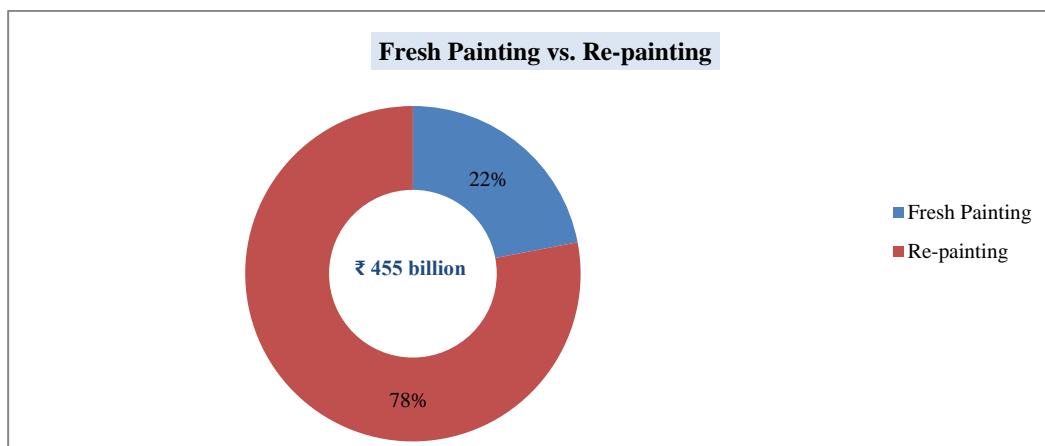
Larger players have their captive capacities for meeting ~75 -80% of their requirements:

- They source high solid emulsions from players like BASF and Dow
- For other requirements, they mostly utilize their captive capacities or outsource to players like our Company
- Players like Asian paints, Kansai and Berger have captive capacity to produce emulsions and meet majority of their requirements in-house.
- Players like Akzonobel,, Indigo Paints, Nippon, JSW and Aditya Birla completely outsource their emulsions requirements.
- Our Company is expected to be the biggest beneficiary of outsourcing by new entrants

Growing demand for fresh painting in India

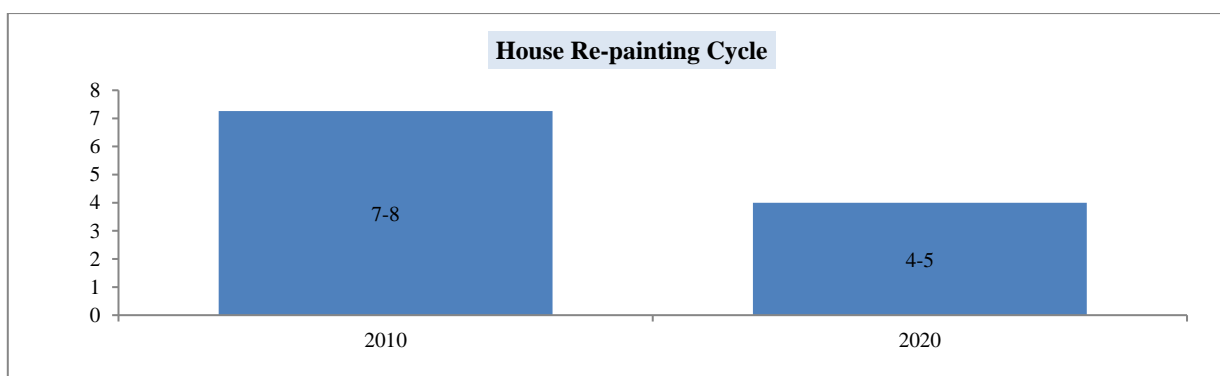
Fresh painting accounts for ~22% of Decorative paint demand. Within the 22% fresh painting, the share of unorganized players tends to remain high as not all builders provide high quality paints in newly constructed houses. Some builders opt for low-quality distempers (mostly purchased from unorganized players) with an opinion that the buyers will either get interiors done or repaint their houses as per their choice. Hence opting for local paints helps builders reduce cost of construction. This leads to incremental demand of repainting using better-quality paints (mostly emulsions). Re-painting represents ~78% of demand in the decorative segment in India.

Segmentation of India Market, Fresh vs Re-painting, Value (₹ billion), FY2021



Source: Livespaces, Company Websites, Frost & Sullivan

Indian Household Re-painting Cycle Reduction in years, 2010-2020



Source: Frost and Sullivan

In the last decade, the average re-painting cycle has gradually reduced from repainting the house from an interval of 7-8 years in 2010 to 4-5 years in 2020 (Interior painting majorly). Earlier the major factor for re-painting the house was the life of paint coat i.e., repainting was done only when paint withered. However this trend has been changing gradually with some consumers giving more importance to aesthetics, change in looks and appearance of their premises at regular intervals even while the condition of the existing paint is good. These consumer behavioural changes have led to reduction in re-painting cycle.

Small unorganised paint manufacturers primarily catering to the lower end of the price points still maintain a sizeable 30- 35% share in the overall paint industry.

Our Company's presence across key end use segments

Our Company is one of the leading specialty coating emulsions supplier to the Indian paint sector with about 30% market share in the segment in Fiscal 2021 (in terms of sales value). We also export our various products to more than 50 countries, with strong presence in Asia Pacific, Middle East and African Market. Other large players in the market are Visen, BASF and Dow. With a strong global presence and specialty coating emulsion supply to leading paint companies in India and overseas, We have huge potential to tap into global coating market which is valued at US\$ 6.4 billion in 2020.

Our Company's key products in the emulsions sector

Styrene acrylic, pure acrylic, VAM acrylic, VAM VEOVA, PVA, opaque polymers. We export these products to more than 50 countries across SE Asia and MEA.

Global Adhesives Industry Overview

The global Adhesives market is valued at around US\$ 47 billion. The global Adhesives market is expected to grow at 5.9% CAGR; reaching US\$ 63 billion by 2025.

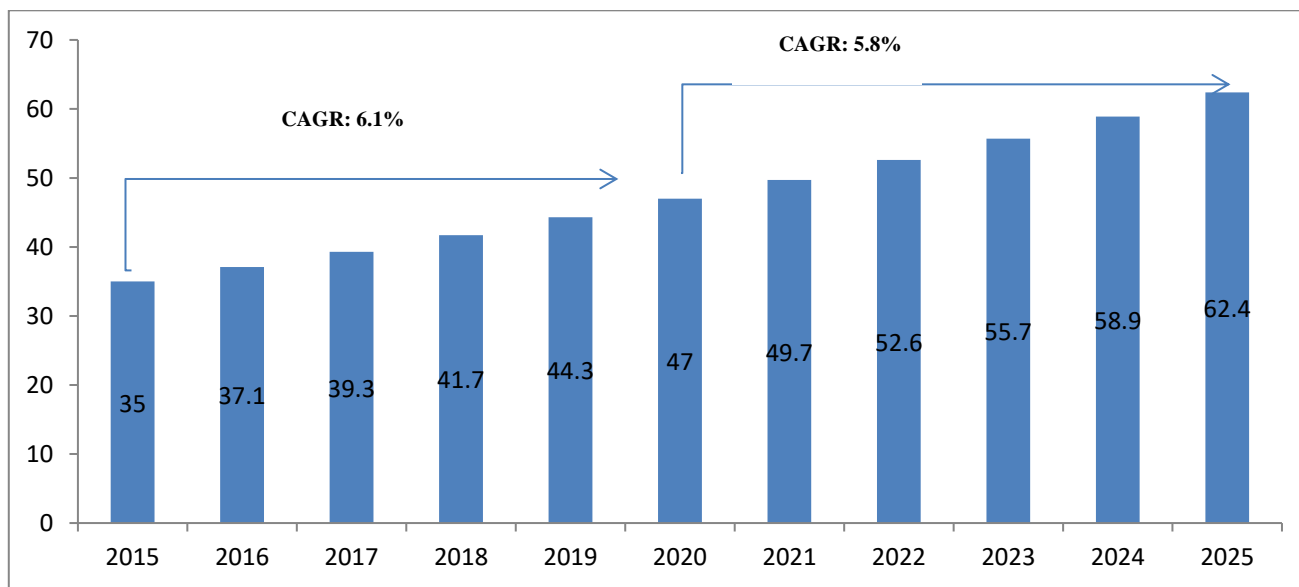
Global adhesives market is expected to rise pertaining to increasing demand from construction industry. The adhesives are used as an alternative to joining materials and sealants are used as mechanical seal for blocking fluid passage owing to wide demand

for adhesives and sealants from construction industry. The industry is rising globally pertaining to construction of hospitals and quarantine centres due to coronavirus outbreak.

The demand for low cost flexible packaging has been consistently increasing in Asia Pacific, owing to a steady rise in food exports and growth in the food processing sector. In addition, the change in lifestyle and workplace habits and shifting preference toward modern food habits are increasing the demand for packaged foods hence driving the demand for PSA used in the packaging sector.

Online retail shopping has increased at a higher rate, with growing internet technologies and web applications, which has largely supported the growth of the packaging industry.

Global adhesives market, 2015 to 2025F (\$ billion)



Source: Frost & Sullivan

Market segmentation by geography – historical and projected

Geographically, Asia Pacific is anticipated to remain at the forefront throughout the forthcoming years. The region held \$ 14.3 billion in 2020 in terms of revenue in the market. Its forecasted to grow at the highest CAGR globally at 7.9%. The high demand for these products from the automotive industry is set to boost growth. In North America, a surging shift of manufacturers towards eco-friendly and recyclable products would drive growth. Europe is anticipated to show significant growth because of the high demand for green adhesives and sealants.

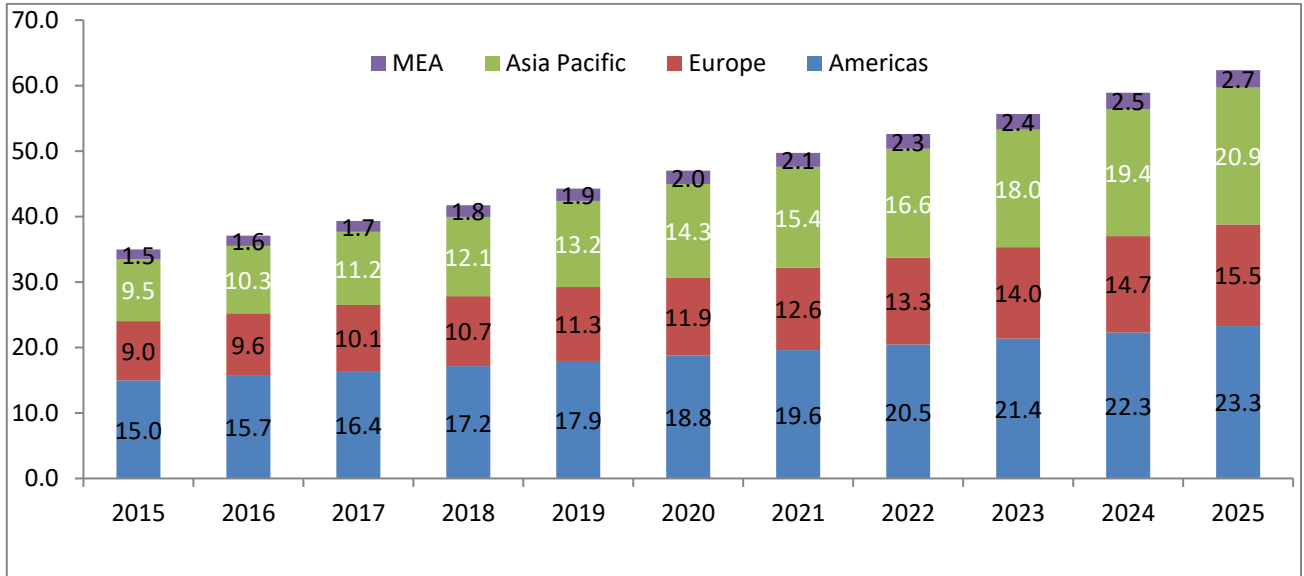
Global

The Americas and APAC will concurrently dominate in terms of volume consumption and revenue contribution during the forecast period, with annual volumes and revenue expected to exceed 2 million tonnes and \$7.45 billion, for both regions.

Major end-use industries consuming packaging adhesives, electrical and electronic adhesives and sealants, and manufacturers of industrial machinery are dominant in the Americas and APAC, followed by Europe. This makes the regional consumption of industrial adhesives and sealants relatively high as compared to that in MEASA.

Biodegradable and sustainable products and recycling technologies, premium end-use requirements, and regulatory requirements demanding products that provide more HSE benefits are more prevalent in North America and Europe, which favorably drives the price growth in the two regions.

Global Adhesives Industry size by Geography – forecast - (US\$ billion), 2015-2025F



Source: Frost and Sullivan analysis

Market Segmentation– by Application/Industry Type

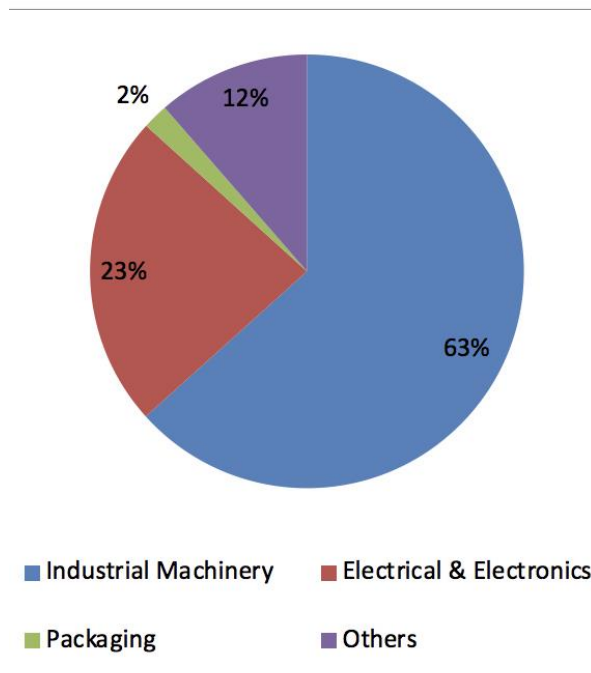
A wide variety of packaging requirements from FMCG, healthcare and hygiene, food and beverage, PPE, and eCommerce, translates into packaging applications becoming a dominant consumer of industrial adhesives.

Industrial Adhesives and Sealants in Packaging

Global Adhesives Market, 2020, Split by Application Industry 2020

Our Company caters to the packaging end application for specifically into water based solvents.

2020

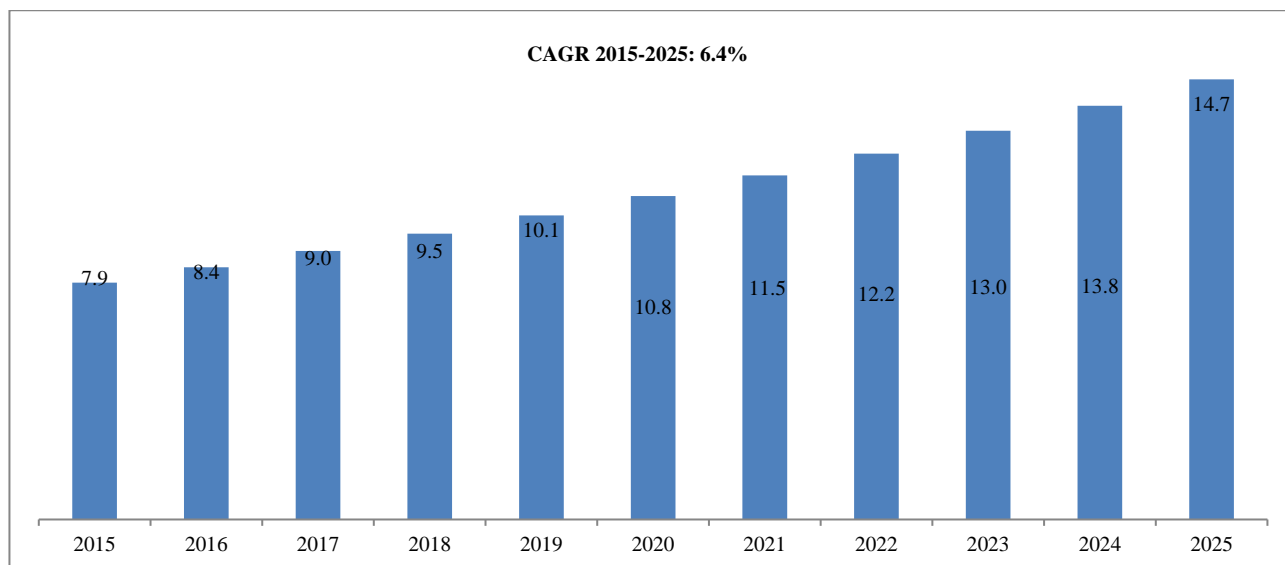


Source: Frost & Sullivan research & analysis

Product-wise market overview (market size – historical and projected)

The global pressure sensitive adhesives market was valued at US\$ 10.8 billion in 2020, and is projected to reach US\$ 14.7 billion by 2025 at a CAGR of 6.4% from 2015 to 2025.

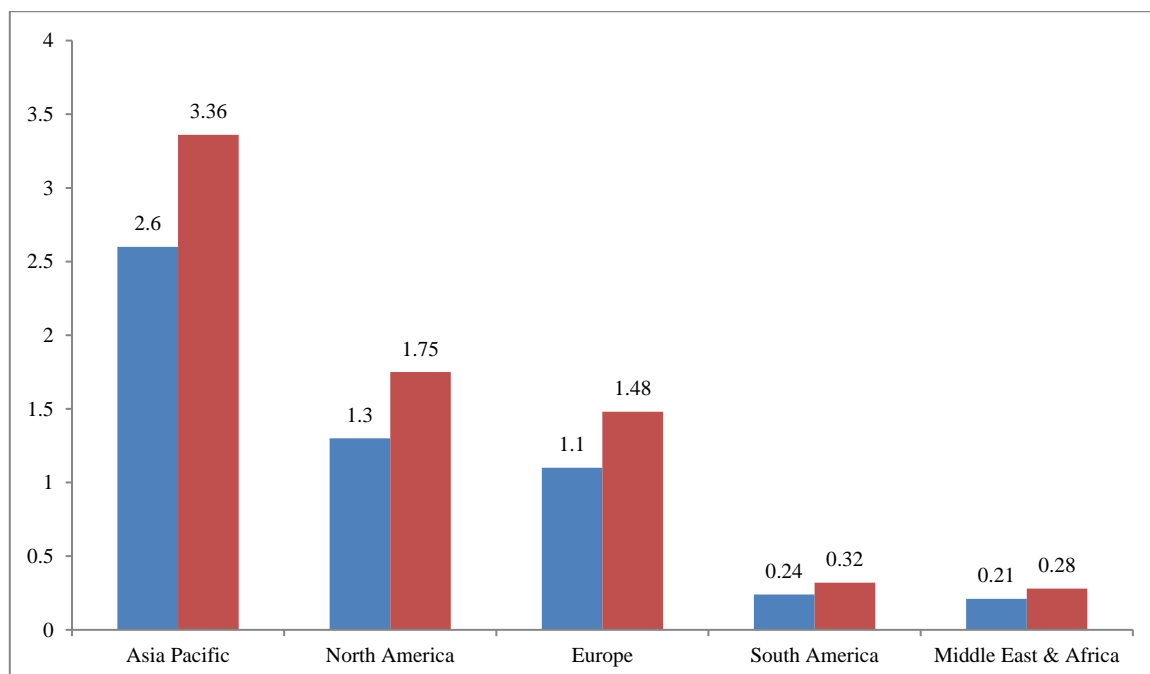
Global PSA Market size forecast 2015-2025



Source: Frost & Sullivan Research & Analysis

Acrylic segment was the highest contributor to the global pressure sensitive adhesives market with US\$ 5.45 billion in 2020, and is estimated to reach US\$ 7.2 billion by 2025, registering a CAGR of 6.1% during the forecast period. Our Company caters to Acrylic Pressure Sensitive Adhesive market which is about 50% of the total PSA market as of June 30, 2021.

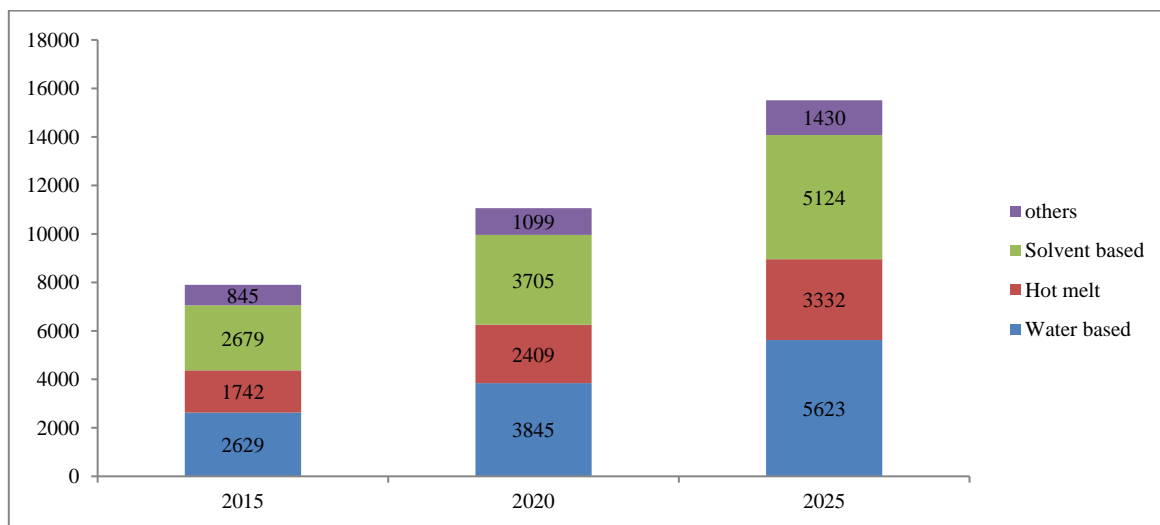
Global Acrylic Pressure Sensitive Market Revenue \$ billion 2020-2025



| Region | Asia Pacific | North America | Europe | South America | MEA |
|--------|--------------|---------------|--------|---------------|------|
| CAGR | 5.3% | 6.1% | 6.1% | 5.9% | 5.9% |

Water-based segment was the highest contributor to the global pressure sensitive adhesives market with US\$ 3,845 million in 2020, and is estimated to reach US\$ 5,623 million by 2025, registering a CAGR of 7.9% during the forecast period. The radiation-based segment is estimated to reach US\$ 1,430 million by 2025 at a CAGR of 5.4%.

Global PSA Market by type, Growth Trend, 2015, 2020, 2025F (US\$ million)



Source: Frost & Sullivan

Global pressure sensitive adhesives market by type

Water-based segment was the highest contributor to the global pressure sensitive adhesives market with US\$ 3,845 million in 2020, and is estimated to reach US\$ 5,623 million by 2025.

Water based and solvent-based segments collectively accounted for about 74% of the global pressure sensitive adhesives market in 2020, with the former constituting around 61% share. The water based and hot melt segments are expected to grow at significant CAGRs of 7.9% and 6.7%, respectively, during the forecast period

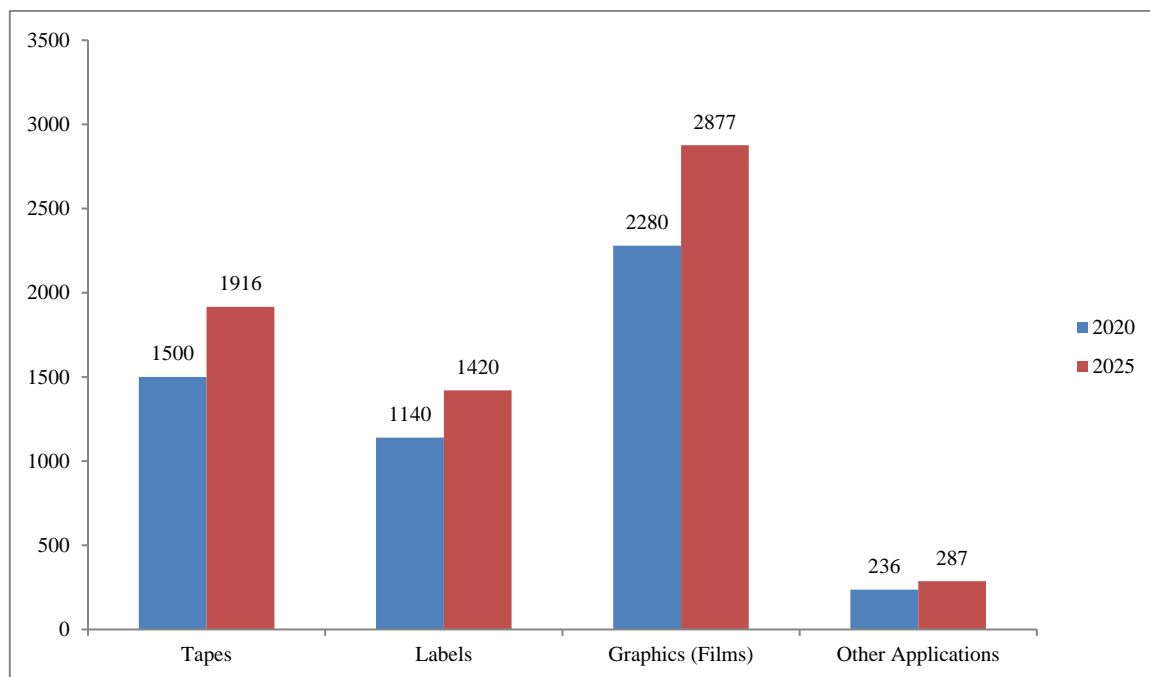
During the forecast period, the global market for packaging tapes is expected to develop at a CAGR of 5%. The sealing and strapping packaging tapes market is being driven by strategies such as product innovation, with manufacturers focusing on manufacturing new and innovative tapes to gain a competitive advantage. Due to crucial qualities such as sealing heavy boxes and bundling unpacked products, sealing and strapping packaging tapes are generally accepted by many end-user sectors.

The safety of single parcel shipments has become an important concern for companies in the e-commerce business, since more and more consumer goods are shipped in single parcel shipments. As a result, these tapes are an ideal choice for such players, assuring good package sealability and closing. Over the foreseeable period, this is expected to enhance market growth adoption.

Our Company caters to Acrylic PSA market with its products into Tape & label adhesives, pigments, wood adhesives and leather chemicals.

Our Company deals with only water based technology catering to primarily packaging end use segment.

Global Acrylic Pressure Sensitive Adhesives Market size forecast 2020-2025 (US\$ million)



Acrylic bonded adhesive tapes are widely resistant to the weathering and aging, especially when exposed to UV rays, moisture, and chemicals. They maintain stability when exposed to high temperatures, making them go to adhesive tapes, especially for thermal applications.

Acrylic tapes are used in day to day life for various purposes, ranging from packaging to attaching. Common examples of acrylic pressure sensitive adhesives (tapes) are electrical tapes, duct tapes, masking tapes, surgical tapes, and box sealing tapes, among others.

Some of the major advantages of acrylic pressure sensitive adhesives tapes include:

- The ability to bond dissimilar materials without the concerns of incompatibility
- They provide vibration dampening and noise reduction
- They reduce assembly time
- They eliminate the need for surface refinishing
- They are thinner and lighter materials
- They provide uniform thickness and possess gap filling properties

Different types of acrylic PSA tapes used in various applications are as follows

Commercial

- Acrylic based commercial tapes are used for aesthetic and functional purposes in varied industries. They are known for temperature resistance, conformability, shear strength, and surface adhesion. They are majorly used in construction, metalworking, and packaging, among others.

Protective

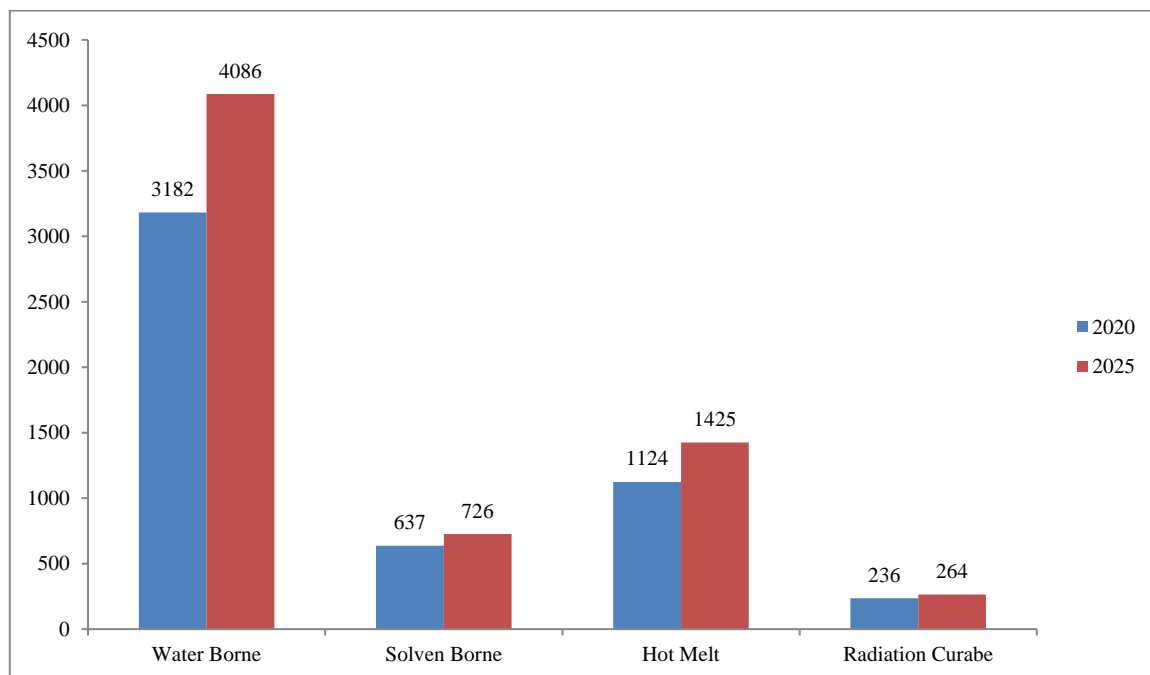
- Acrylic protective tapes are used in surface protection for a variety of applications. They are applied over varied surfaces to protect them from scratches and paint overspray, along with providing tear and abrasion resistance. These tapes are majorly employed in industries, such as consumer goods manufacturing, and automotive, to prevent damage to the manufactured product in assembly line or transportation.

Foam

- Acrylic foam tapes are majorly used in industries, such as automotive and construction. There are various types of foam acrylic tapes available in the market, namely, double sided foam tapes, closed cell foam tape, single sided foam tapes, and gasket tapes. They are used for various purposes, such as weather stripping, exterior mounting, interior mounting, and sign mounting, among others.

The rapidly growing end user industries, such as packaging, medical, and transportation, coupled with unique uses and advantages of acrylic PSA tapes, are expected to boost the market.

Global Acrylic Pressure Sensitive Adhesives Market size by Technology 2020-2025 (US\$ million)



Water borne acrylic PSAs use water as a solvent, along with polymer and a water dispersible agent. The acrylic binder is used mainly due to its property to resist ultraviolet light which translates into excellent exterior durability, including color and gloss retention, along with resistance to chalking. These binders are majorly used in tapes and labels where water is retained and not absorbed by coating. They have limitations with usage in graphics and inkjets, as these require a material that does not contain water for durability. Water borne acrylic PSAs exhibit a promising future, as they are an eco and user friendly alternative to solvent based coatings. These PSAs are known to be eco-friendly, as they are in accordance with US regulations that require water borne coatings to have a VOC content of less than 3.5 pounds per gallon of water. Some of the water based acrylic PSAs are classified as environmentally benign and can be easily removed from the material during recycling. Labels and packaging constitute the major applications of water based acrylic PSAs. Packaging labels, adhesive films in the growing food and beverage, automotive, and electrical and electronics industry are expected to increase the consumption of water based acrylic PSAs.

Wood Adhesive

The global wood adhesives market size was valued at US\$5.1 billion in 2020 and is predicted to grow at a CAGR of 5.0% from 2020 to 2025. Growing global engineered wood-based panel production is a significant factor driving the market.

Engineered wood-based panels such as plywood, oriented strand board, and particle board consume a significant volume of adhesives during their manufacturing process. For instance, plywood is produced by binding veneers with adhesive.

Demand drivers and restraints for Pressure Sensitive Adhesive Industry

1. Booming ecommerce market in India

In India, e-commerce has changed the way people do business. From US\$ 46.2 billion in 2020, the Indian e-commerce sector is predicted to expand to US\$ 111.40 billion by 2025.

India has the fifth largest packaging industry around the world, which is also growing at a significant rate. The country's packaging industry is majorly driven by growing innovation in industries to make their products compact

and portable With the increasing employment in the country, there is an increase in the use of ready to eat food products, which further propels the growth of the packaging industry, and, in turn, increases the demand for acrylic PSAs.

Hence, although the per capita consumption of packaging is quite low in India, at around 8.7 kg, the rapidly growing ecommerce sector and increasing demand from end user industries, like pharmaceuticals, food and beverage, and beauty and personal care, are driving the growth of the packaging market.

2. Growing Popularity of Sustainable Packaging Expected to Fuel Demand for Biodegradable Adhesives, 2021 - The long-term environmental hazards associated with disposal of non-biodegradable packaging in sectors such as food and beverage, healthcare, and FMCG, coupled with growing regulatory norms across many countries, increasingly call for safe disposal of packaging products.

Packaging companies are expected to focus on the development of more sustainable packaging products, which involves the use of sustainable packaging adhesives.

Completely compostable packaging is an increasingly preferred choice, and adhesive chemistries that help meet this packaging criterion are expected to be the R&D focus of packaging adhesive manufacturers.

3. High-Performance Elastic Adhesives for Electrical & Electronic Applications to Create Fresh Adhesive Demand - Manufacturers in the electrical and electronics industry are faced with the challenge of unavailability of adhesive options that are suitable for the production of foldable and flexible electrical or electronic devices.

Manufacturing of such devices requires an adhesive that is considerably elastic and cures at low temperatures—especially for flexible electronics components. The adhesives used in many electronic products are required to be easy to process and capable of withstanding repeated folding and unfolding of the device parts.

At the same time, the adhesive should also be significantly compatible with existing production lines and aid in augmenting the speed of the manufacturing process through high speeds of application, supported by features such as primer-less adhesion for foldable or flexible device production.

Electronic device manufacturers in the consumer electronics space are also looking for adhesives that can withstand mechanical shocks such as those from device drops or other impacts.

4. High-performance adhesives for niche applications such as high-precision bonding expected to drive market growth - In the past few years, there has been an increasing need for extreme precision bonding in electronics, luxury packaging, and other consumer goods manufacturing. Requirements such as bonding precisions from as low as 500 microns up to 2 mm while simultaneously meeting special criteria call for the development of innovative adhesives.

The advent of such novel products is expected to create a fresh market for premium, high-precision bonding adhesives, such as Bostik's Born2Bond™ range. Adhesive manufacturers are expected to prefer the use of methoxyethyl cyanoacrylate (MECA) technology to formulate these instant adhesives, as its chemistry discourages blooming and odor, increases ease of application, and facilitates rapid curing and regulatory compliance regarding health, safety, and the environment (HSE)

These premium-priced adhesives represent a potential annual revenue of \$ 6 billion to 8.4 billion, with an estimated average annual growth of 9%

5. Growing popularity of flexible packaging across diverse packaging end-use industries expected to create new business opportunities for industrial adhesive manufacturers - Flexible packaging products are increasingly preferred by packaging customers across various industries, such as food/beverage and healthcare, due to the multiple application benefits they provide, such as augmented shelf-life of packaged foods, sustainable packaging, cost-effectiveness, aesthetic, and marketability.

Growth Restraint Analysis for Adhesives Market

- 1 Change in availability of raw materials for the manufacture of adhesives and sealants temporarily impacting feedstock inventory - The availability of feedstock used in the production of basic chemicals that become raw materials for adhesives and sealants has been declining in the past few years. The dearth of feedstock will significantly affect the availability of raw materials in the long-term and result in a rise in the average price.
- 2 Specific instances of surface preparation efforts before adhesive application restricting adhesive demand - It is observed that for bonding of specific substrate types, adhesive applications still require surface preparation treatments, such as cleaning the material surface to be bonded. The surface pre-treatment is even more vital in cases where oil and

grease are present on the metal surface to be bonded, as they considerably lower the surface energy of the metal surfaces and thus impair the bonding strength.

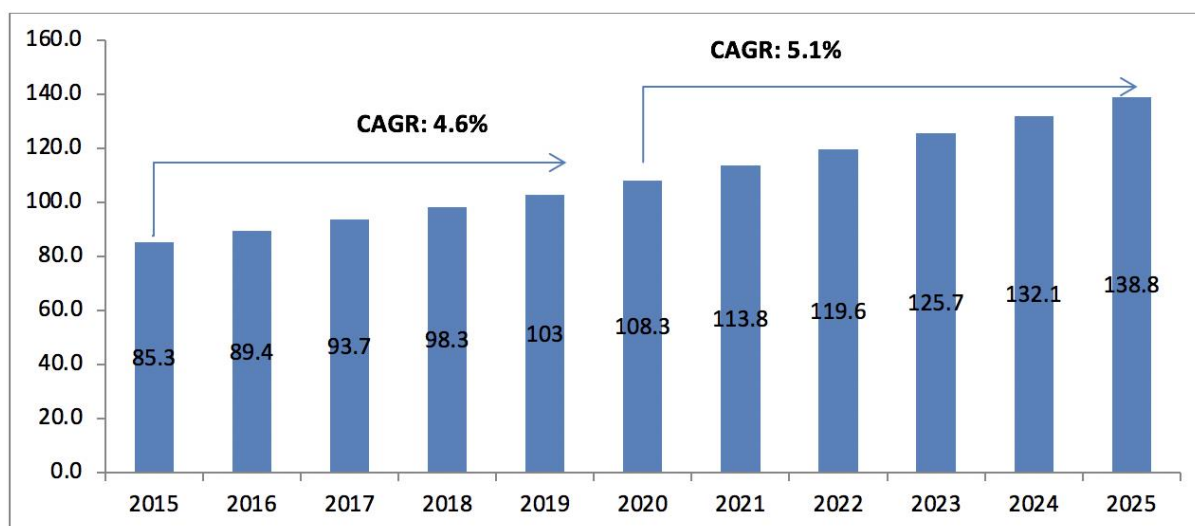
- 3 Acrylic PSAs are highly used in different applications as tapes, labels, graphics, and so on. These adhesives are made of hydrocarbons and organic compounds that emit volatile organic compounds - The governments across the world are concerned about the effects of these VOCs and they have formed rules and regulations regarding the maximum limits of VOC content These VOC emissions cause eye irritation, throat and nose irritation, headache, asthma, vomiting, dizziness, and some chronic diseases, such as cancer, kidney problems, liver damage, and central nervous system damage.

CONSTRUCTION CHEMICALS INDUSTRY OVERVIEW

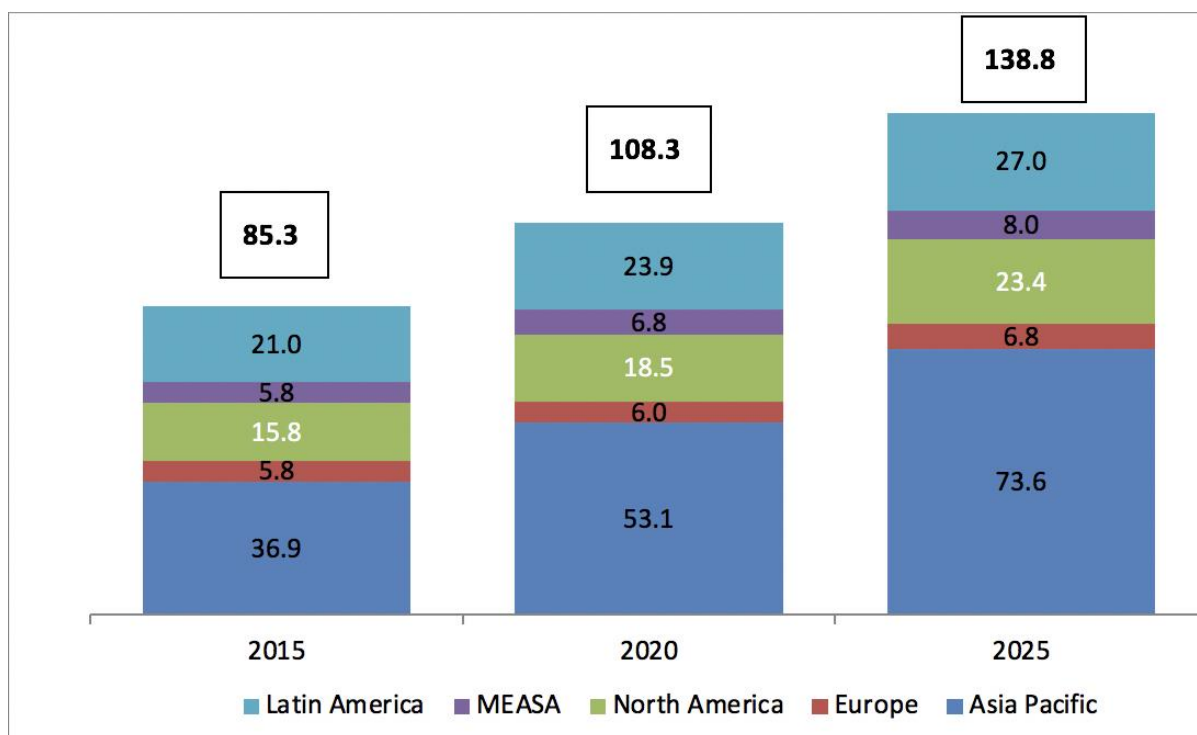
Global Construction Chemicals industry overview – market size – historical and projected

The Global Construction Chemicals Market is expected to be worth US\$ 139 billion dollars by the end of 2025; growing at a compound annual growth rate of approximately 5.1 % from the year 2020. Shifting customer preference toward high-performance products that meet Construction Products Regulations (CPR) and sustainability norms is likely to boost the revenue of construction chemicals.

Global Construction Chemicals market, 2015 to 2025F (USD billion)



Global Construction Chemicals market by Geography (USD billion), 2015-2025F



Source: Frost and Sullivan analysis

| Region | Asia Pacific | Europe | North America | MEASA | Latin America |
|--------------|--------------|--------|---------------|-------|---------------|
| 2015-20 CAGR | 7% | 2.70% | 4.80% | 3.20% | 3.20% |

The European construction chemicals market is expected to generate more than US\$ 6 billion by 2020, with a relatively modest growth rate of roughly 2.70 % CAGR during the forecast period.

With a global market share of 17 %, the building chemicals market in North America is the most dominant in the world. In 2020, the market for NA was valued at US\$ 18.5 billion. The region's construction chemical demand is expected to be driven by the region's rising economy and strong market fundamentals for commercial real estate developments.

Market segmentation by end-user industry – historical and projected

The concrete admixtures sub-segment of the types segment is anticipated to hold one of the leading market share by gathering revenue US\$ 20.58 billion in 2020, growing at a CAGR of 4.6% in the forecast period. This is mainly owing to the growing demand for concrete in construction projects across the world. The, it is expected to witness the highest CAGR during the forecast period.

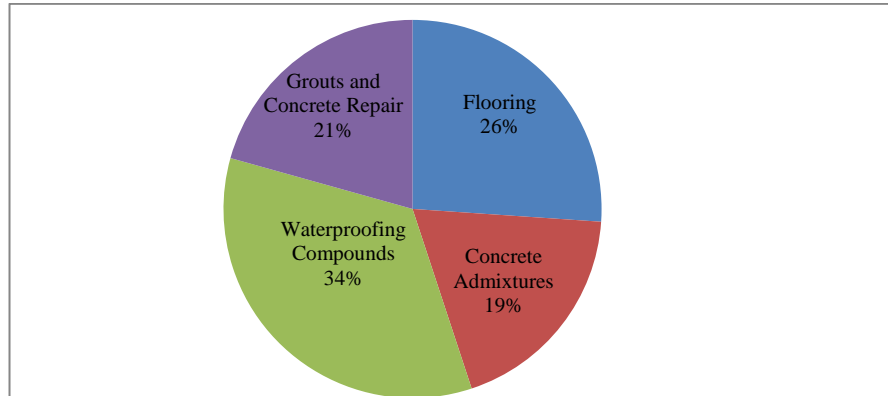
Concrete admixture is defined as a material other than water, aggregates, hydraulic cement, and fiber reinforcement used as an ingredient of concrete or mortar and added to the batch immediately before or during its mixing. The main reasons for use of admixtures are to reduce the cost of concrete production and establish control over the production process and properties of concrete. Concrete admixtures provide several benefits to concrete including:

- Compressive and flexural strength at all ages, decreased permeability
- Improved durability
- Corrosion and shrinkage reduction
- Initial set adjustments
- Increased slump and workability
- Improved pumpability

- Improved cement efficiency and concrete mixture economy

Concrete, being a primary structural material used for residential construction across a majority of European countries, is likely to boost the demand for concrete admixtures. The demand for admixtures in commercial buildings is expected to grow stronger in accordance with expanding commercial construction activity. However, this is expected to vary significantly across regions.

Global Construction chemicals market by end industry, 2020, US\$ 108 billion



Source: Frost & Sullivan

Waterproofing segment accounts for the largest share in the construction chemicals market at 34%. Waterproofing can be defined as the protection of surfaces or structures to avert the constant or intermittent infiltration of water in its various forms, such as rain, humidity, snow, and hail. Depending on the source of water ingress, waterproofing products are majorly used in a variety of above- and below-ground applications.

In addition, depending on the type of application, waterproofing products are used across residential, commercial, and infrastructure projects.

- For above-grade, waterproofing products are used for roofs, walls and decks, and retaining structures such as tanks.
- For below-grade, waterproofing products are used for underground parking decks, foundations, and retaining walls.
- Waterproofing products are available in the market in broadly three types: sheet membranes, liquid-applied and spray-applied membranes.
- For the purpose of this study, waterproofing is mainly segmented into above-grade and below-grade chemicals and membranes

Global spending in construction will account for 17.5 trillion by 2030, with China, US, and India, leading the way and accounting for 57% of all global growth. More than 60% of global infrastructure investment will be made in emerging economies, particularly in Asia, while the US and Canada will account for approximately 20%.

Growth in sustainable manufacturing processes

Sustainable energy sources are expected to be incorporated in building materials. Algae-infused wall panels are being tested on building facades to regulate heat in buildings using photosynthesis. Global glass manufacturer NSG Group has entered into a joint venture with Ubiquitous Energy to manufacture and integrate the latter’s building integrated photovoltaic Clear View power technology into window glass.

Construction chemical manufacturers in Europe and North America will benefit from developing bio-based materials and/or adding them to their portfolios, because regulatory bodies and customers in these regions are demanding more environmentally friendly products. Construction chemical manufacturers that collaborate with leading research institutes and universities on projects of this type stand to gain an edge in this increasingly competitive market.

Growth in Repainting for Maintenance Purposes in All Types of Construction

The exterior of a typical commercial or industrial building is repainted every 5-to-10 years depending on the external environment of its location. The cycles of repainting are shorter for buildings located in wet and humid areas and highly urbanised cities. Repainting is mostly frequent on masonry and wood surfaces, while metal structure coatings are required to be durable for more than 10-to-15 years.

The Drive by Regulatory Authorities to Reduce Volatile Organic Compounds (VOC) Emissions and the Rising Need for Advanced Performance Amongst Customers

Volatile Organic Compounds (VOC) are greatly dangerous for human health, as a number of these compounds such as benzene and methylene chloride, are proven carcinogens. In addition, these chemicals are proven to cause physical ailments such as headaches, asthma, or develop allergies to humans exposed to these. Laws and regulations limiting the VOC of most coatings were implemented globally due to concerns over health and atmospheric pollution.

Building contractors and architects are moving toward working with sustainable materials, mainly to earn certification and reputation for their projects such as GREET (Singapore) and LGEEP (Australia). The APAC market is also gradually moving toward low-VOC-emitting water-based acrylic adhesives due to increasing customer awareness and stringent regulations in countries such as Singapore

Gradual Growth in Industrial Sector is Expected to Boost the Demand for Industrial Flooring Products in Europe

The industrial sector in Europe is expanding gradually driven by rising private investment in manufacturing facilities. Lending schemes at low interest rates offer a strong incentive for private companies to invest in manufacturing facilities. In particular, Central European industrial markets continue to grow faster than their developed counterparts in Western Europe. Although a positive outlook is observed throughout the region, annual growth is spearheaded by Germany, Ireland, Sweden and the UK

Supply Chain Disruption

With the outbreak of the COVID-19 pandemic, the global supply chains of both raw materials and end products are significantly affected as a result of prolonged lockdowns and travel restrictions imposed in most countries around the world.

Construction coatings companies, especially the small and medium sized ones that do not have a strong presence in every location that they operate in, have been experiencing major disruptions in the supply of raw materials for manufacturing and distribution of coating products to their end customers. In addition, the need for social distancing has been forcing them to impose restrictions on the number of personnel working in their manufacturing facilities at a time and increasing the number of shifts per day to enable adequate production.

The impact of this restraint is expected to be high in the short term and improve thereafter.

Volatility in Crude Oil Prices

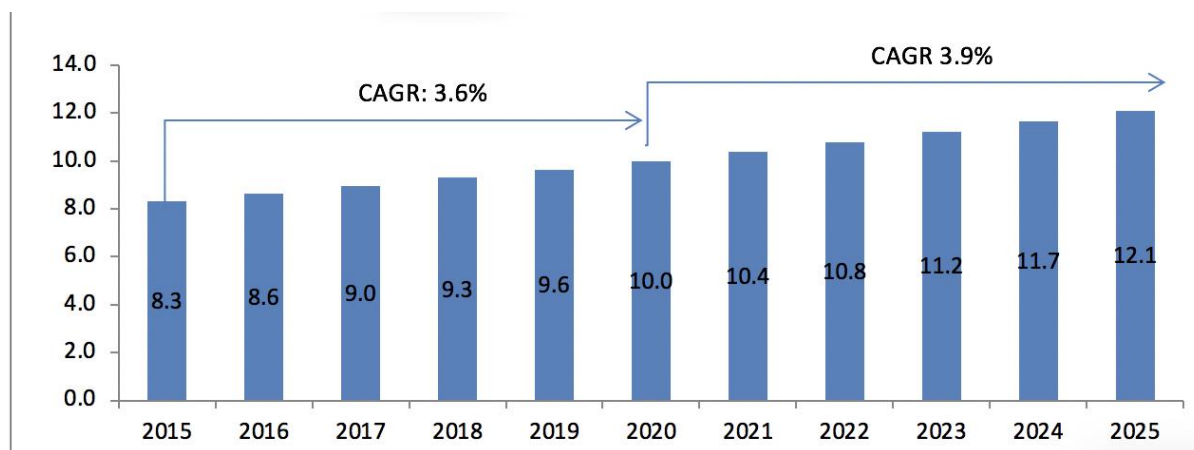
Prices of crude oil, a major raw material used for manufacturing formulation resins, have been frequently fluctuating due to a series of disruptive events such as geopolitical and climate-related issues. Such volatile nature of oil prices exert pricing pressure on coating manufacturers. However, as resins constitute less than 50% of the total volume in solvent and waterborne coatings, this restraint is expected to have a medium impact in the short term and improve thereafter.

OVERVIEW FOR OTHER PRODUCTS IN OUR COMPANY PORTFOLIO

Textile chemicals

The global Textile Chemicals Market is expected to grow at a CAGR of 3.9 % from 2020 to 2025, from US\$ 10 billion in 2020 to US\$ 12.1 billion in 2025. The increased demand for technical fabrics is the driving factor for the Textile Chemicals industry. Textile chemicals are also projected to benefit from the increased adoption of low VOC and biodegradable ingredients in textile manufacture.

Global Textile Chemicals market, 2015 to 2025F (US\$ billion)



Source: Frost & Sullivan

Driver: Increase in demand for Technical textile

A technical textile is a type of cloth or fabric that is specifically designed for a certain function. They have distinct and distinct properties that set them apart from conventional fabric. Mechanical resistance, elasticity, reinforcing, anti-dust, tenacity, insulation, thermal & fire resistance, and UV and IR resistance are among the improved qualities of these fabrics. Technical textiles are commonly utilized in automotive, medical & personal hygiene, sports & leisure, pollution control & filtration, agriculture, industrial, packaging, and clothing for non-aesthetic applications.

Growth Opportunity: Growing adoption of low VOC and biodegradable materials for textile manufacturing

Textile producers and suppliers are increasingly being obliged to deliver textiles that are sustainably produced and free of harmful chemicals due to pressure from governments, non-governmental organizations, and end-users. Large brands and merchants are requesting that their suppliers prove the items' long-term viability. Restricted substance lists (RSLs) listing forbidden compounds and/or their limit values are created for this purpose. In addition to RSLs that indicate which compounds should be avoided, so-called positive lists specify which chemicals can be utilized. The Swiss company, Bluesign, for instance, has established a positive list, including dyestuffs and chemicals, which are available to our Company's partners.

Bodal Chemicals Ltd., Kiri Industries Ltd., Archroma India Pvt. Ltd., Croda India Company Pvt. Ltd are other large players operating in the market.

Our Company has come up with Innovative products in the textile chemicals market in the last 5 years for instance - Bondex ASM G which is Eco-friendly textile printing binder. These products imparts body with stiff feel, provides PVA copolymer, smooth finish with body and is APEO free, it's also self-crosslinking, Their major applications are into Textile finishing, pigment printing, flocking, khadi printing, stretch khadi, fabric glue etc.

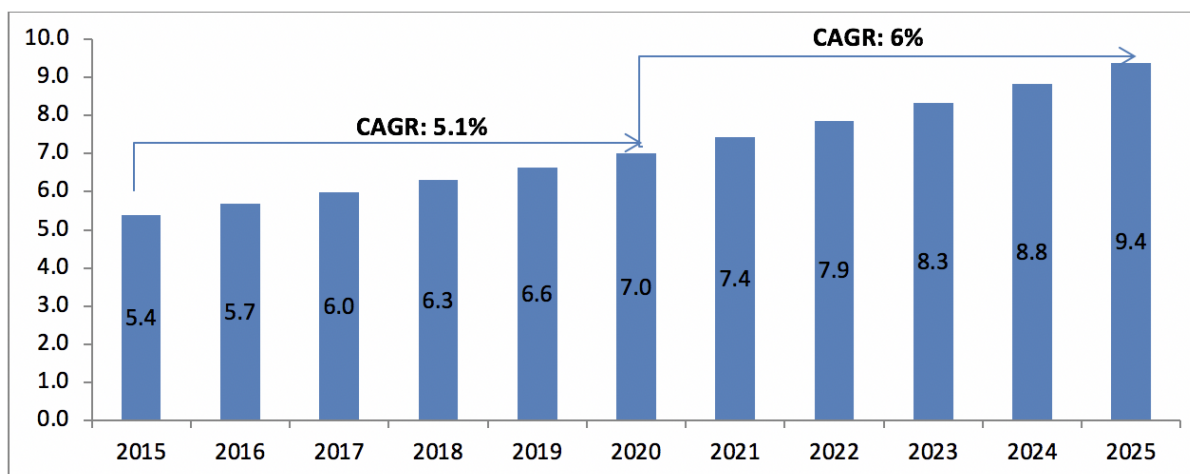
Carpet chemicals

Over the forecast period, the worldwide carpet back coating market is expected to develop. Carpet back coating is a procedure that improves and enhances the resilience of various textile floor coatings, such as rugs and carpets. The backing process is a crucial stage in the manufacturing process that improves the resilience of textile floor coverings. Furthermore, soundproofing, stepping elasticity, and heat insulation are all features that backing can improve.

Leather chemicals

The global leather chemicals market size was valued at US\$ 7.5 billion in 2020, and is projected to reach US\$ 9.5 billion by 2025, growing at a CAGR of 6% from 2020 to 2025.

Global Leather Chemicals market, 2015 to 2025F (US\$ billion)



Source: Frost & Sullivan

Tanning and dyeing chemicals, beam house chemicals, and finishing chemicals are the three types of leather chemicals. Tanning chemicals are substances that are used to turn raw hide into leather. Vegetable tannin, mineral salts, and animal oil are common tanning agents. Leather products are classified as vegetable tanned leather, synthetic tanned leather, alum tanned leather, aldehyde tanned leather, and chromium tanned leather depending on the tanning chemicals used. Surfactants, degreasers, sodium formate, sodium bicarbonate, neutralizing syntans, formic acid, and chrome syntans, chromium sulphate are among the dyeing chemicals.

Increased use of leather chemicals in end-use industries such as footwear and textiles are driving the leather chemicals market forward. Leather chemicals such as syntans, polymers, coloring auxiliaries, and fatliquor have expanded in use as a result of more aesthetically pleasing leather footwear and improved leather footwear production. Leather compounds include features including increased mold resistance, smoothness, and adhesiveness, which are boosting global demand.

Tanned leather, on the other hand, produces effluent containing sulfides and chromium, which has a harmful impact on the environment and workers. During the projected period, this is expected to be the most significant factor impeding the global leather chemicals market. The improvement of tanning processes, on the other hand, is predicted to limit the accumulation of chromium and sulfides in water, resulting in new income potential over the projection period.

Our Company has a specialized / customized broad portfolio in the segment –

Key features of our products are - Low pH Acrylic Syntan. Being astringent, imparts tight grain and body, bleaching in nature, Excellent cut through. Their major applications is into Tanning, retaining and finishing

Paper Coating

The Paperboard Coating market was valued at US\$ 1807.2 million in 2020, and is projected to reach US\$ 2610 million by 2025 growing at a CAGR of 8.15% from 2020 to 2025. Asia is expected to be the highest contributor to this market, with US\$604.4 million in 2019, and is anticipated to reach \$1,329.6 million by 2029, registering a CAGR of 9.23%.

PEER COMPARISON

We have no direct listed comparable peers considering our (i) product profile, (ii) end customer industry and (iii) size and scale. Hence, F&S has identified select peers as comparable proxies with a similar product properties, end customer profile, export mix and scale.

| Company name | ROA (PAT/ Avg. Total Assets) | | | ROCE (EBIT/Avg. Capital Employed) | | | ROE (PAT/Avg. Equity) | | |
|-----------------------|---------------------------------|--------|--------|--------------------------------------|--------|--------|--------------------------|--------|--------|
| | FY2019 | FY2020 | FY2021 | FY2019 | FY2020 | FY2021 | FY2019 | FY2020 | FY2021 |
| Fine Organics | 21.89% | 21.20% | 13.38% | 32.69% | 29.82% | 19.13% | 29.98% | 29.45% | 17.82% |
| Galaxy Surfactants | 12.63% | 13.63% | 15.65% | 25.10% | 23.71% | 24.68% | 23.94% | 23.70% | 25.51% |
| Aarti Industries Ltd. | 9.60% | 8.80% | 7.49% | 21.33% | 17.14% | 13.70% | 23.36% | 19.11% | 16.15% |
| Vinati Organics | 25.59% | 25.00% | 16.96% | 28.93% | 27.44% | 19.25% | 30.57% | 28.65% | 19.08% |

| Company name | ROA (PAT/ Avg. Total Assets) | | | ROCE (EBIT/Avg. Capital Employed) | | | ROE (PAT/Avg. Equity) | | |
|--------------------|---------------------------------|--------|--------|--------------------------------------|--------|--------|--------------------------|--------|--------|
| | FY2019 | FY2020 | FY2021 | FY2019 | FY2020 | FY2021 | FY2019 | FY2020 | FY2021 |
| Apcotex Industries | 12.93% | 4.30% | 10.41% | 23.47% | 7.56% | 19.35% | 17.78% | 6.29% | 15.87% |
| BASF | 2.12% | 0.53% | 11.08% | 1.50% | 6.27% | 27.07% | 5.93% | 1.72% | 36.47% |

Source: Bloomberg, Company Financials

| Company name | Fixed Assets Turnover (Revenue from operations/Avg. Fixed Assets) | | |
|-----------------------|---|--------|--------|
| | FY2019 | FY2020 | FY2021 |
| Fine Organics | 6.98x | 5.12x | 5.11x |
| Galaxy Surfactants | 5.16x | 3.66x | 3.36x |
| Aarti Industries Ltd. | 1.73x | 1.20x | 0.98x |
| Vinati Organics | 1.92x | 1.40x | 1.11x |
| Apcotex Industries | 6.82x | 4.14x | 3.62x |
| BASF | 5.62x | 7.65x | 10.25x |

Source: Bloomberg, Company Financials

OUR BUSINESS

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2019, 2020 and 2021 and the three month period ended June 30, 2021, included herein is derived from the Restated Consolidated Summary Statements, included in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to “we” or “us” mean Jesons Industries Limited, its Subsidiaries and Associate Company, and to “Company” or “our Company” mean Jesons Industries Limited. For further information relating to various defined terms used in our business operations, see “Definitions and Abbreviations” on page 1.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Independent Market Report – Global Adhesives and Coating Market” dated November 17, 2021 (the “F&S Report”), prepared and issued by Frost & Sullivan, exclusively commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from Frost & Sullivan 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”. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 14.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Consolidated Summary Statements 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. 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 Statements” on pages 25, 99, 237, and 182, respectively.

Overview

We are one of the leading manufacturers of specialty coating emulsions (“SCE”) and water based pressure sensitive adhesives (“PSA”) in tape and label segments (in terms of sales value), in India (*source: F&S Report*). Our products are used in various end user industries, such as paints, packaging, and chemicals for construction, textiles, leather, carpet and paper. Amongst the Indian manufacturers, we have one of the largest range of products in SCEs and PSAs product categories (*source: F&S Report*). We are one of the leading SCE suppliers to the Indian paint sector with about 30% market share in the segment in Fiscal 2021, in terms of sales value (*source: F&S Report*).

Our Company has also been an exporter of SCEs and PSAs since 2008 and has a global footprint of exports to more than 50 countries, as of June 30, 2021. The contribution of export products (including export incentives) to our revenue from operations was ₹1,889.48 million, ₹2,260.11 million, ₹2,921.14 million, and ₹1,605.51 million, representing 20.59%, 25.07%, 26.91% and 36.62% for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, witnessing a growth of 24.34% between Fiscal 2019 and the three month period ended June 30, 2021.

We have successfully established a strong foothold in high-growth markets across Asia-Pacific, Middle East and Africa, for both SCE and PSA products (*source: F&S Report*). We are the largest exporter of Polymers of Vinyl Acetate (*HS code 3905*) and Acrylic Polymers (*HS code 3506*), which are used in SCEs and PSAs, from India in Fiscal 2021. We exported 6,687 tons of Polymers of Vinyl Acetate during Fiscal 2021, which is 52.9% of the total export of the same from India. Similarly, we also exported 38,888 tons of Acrylic Polymers (*HS code 3506*) in Fiscal 2021, which is 36.1% of the total exports of the same from India (*source: F&S Report*).

As of June 30, 2021, we had a portfolio of 170 products which are marketed under the brands Bondex[®], Rdy mix[®], Coviguard[®], Blue Glue[®], INDTAPE[®], and Polytex[™]. We are an innovation led company with a dedicated focus on developing specialty products with services, customized to the specific needs of our customers. Our R&D facility, which houses a team of 27 qualified scientists as of June 30, 2021, along with our decades of experience in the SCE and PSA industries, enable us to develop a robust pipeline of specialized products and solutions, which are customized based on customer requirements and specific orders.

We have a well-defined process of evolving our product portfolio, where we continue to enhance existing products and develop new specialty products based on market demand and customer requirements. For instance, as of June 30, 2021, out of the total 170 products forming part of our portfolio, 111 were specialty products representing 65.29% of our total product portfolio. Our R&D funnel has successfully delivered more than 42 specialty products, which has led to an improvement in the share of specialty products in our revenue from operations, increasing from 16.67% in Fiscal 2019 to 23.30% for the three month period ended June 30, 2021. We have a demonstrated track record of introducing new products. For example, we have launched 113 new products in the past three Fiscals and three months period ended June 30, 2021, which contributed 7.51% and 9.77% to

our revenue from operations for Fiscal 2021 and the three months period ended June 30, 2021, respectively, (with products introduced in Fiscal 2021 and the three months period ended June 30, 2021 contributing to the immediately successive financial periods). Our new products have enabled us to further diversify our customer base across various industries.

We supply our SCE products to various reputed players in the (i) domestic paint industry such as Berger Paints, Indigo Paints, Kamdhenu Paints, JSW Paints, Nippon Paints, and Shalimar Paints, and (ii) in the global paints industry such as Apollo Paints, Kansai Nerolac, Moon Star Paints, and Caparol Paints. Further, we also supply our PSA products to various reputed players in the (i) domestic packaging industry such as Cosmos Twisters, Cellotape, Mexim Adhesives, Sarvodaya Industries, Storm Infracon, and SMI Coated Products, and (ii) global packaging industry such as Lalan Printing and Packaging, Tuftape, Well Accessories, and Western Paper Industries. We also supply SCE products to various players in the construction chemicals industry such as Forsoc Chemicals.

While we derive a significant portion of our revenue from direct customers, we also sell to various distributors. As of June 30, 2021, we had 121 distributors spread across more than 50 countries. The average age of our relationship with our top 10 customers as of Fiscal 2021, spans more than a decade. Our quality consciousness enables us to have long term relationships with our customers. Further, due to our R&D capabilities, we have been able to develop customized products and solutions as per customer requirements. For further details, please see “*Business - Innovation and R&D led product offering*” on page 137.

Our revenue from SCE products was ₹4,008.99 million, ₹4,275.64 million, ₹5,350.87 million, and ₹2,435.32 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, representing 43.69%, 47.43%, 49.28% and 55.55% of our revenue from operations, respectively. Our revenue from PSA products was ₹4,084.03 million, ₹3,664.88 million, ₹4,237.93 million and ₹1,666.08 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, representing 44.50%, 40.66%, 39.03% and 38.00% of our revenue from operations, respectively.

Our top 10 SCE and PSA customers for the respective financial periods contributed to 22.08%, 21.33%, 23.22% and 26.11% of our revenue from operations for Fiscal 2019, Fiscal 2020 and Fiscal 2021 and the three month period ended June 30, 2021, respectively. Accordingly, our customer base enables us to de-risk customer concentration.

We have six strategically located manufacturing facilities, comprising two facilities at the Daman (Dadra and Nagar Haveli and Daman and Diu), and one facility each at Roorkee (Uttarakhand), Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), Mundra (Gujarat) and Vapi (Gujarat) which cater to the domestic as well as export markets. Most of our manufacturing facilities are located either near custom ports or within close proximity, allowing for logistical efficiency. Our multi-location facilities and strong distribution network comprising of supply in tankers, flexi tanks, intermediate bulk containers (“**IBC**”), drums, caters to the demands of clients from varied geographies. We also have three warehouses located in Daman, Vapi and Delhi for all our finished products. Our dedicated R&D Centre is recognized by Department of Scientific and Industrial Research (Ministry of Science and Technology), Government of India.

Our manufacturing facilities are ISO certified which include (i) BS OHSAS 18001: 2007; ISO 14001 : 2015; ISO 9001 : 2015 for Roorkee (Uttarakhand), (ii) ISO 9001 : 2015 for Daman (Dadra and Nagar Haveli and Daman and Diu), (iii) ISO 9001 : 2015; BS OHSAS 18001 : 2007; ISO 14001 : 2015 for Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), and (iv) ISO 9001 : 2015; ISO 14001 : 2015; BS OHSAS 18001 : 2007 for our R&D centre (Turbhe). Further, our manufacturing facility at Mundra (Gujarat) has received the ISO 9001:2015 certification from QFS Management Systems LLP, for manufacture and supply of SCEs and PSAs. For further details, please see “*Business - Manufacturing Facilities*” on page 143.

Financial and operating performance

We believe in maximizing the utility of our assets to optimize capital efficiency, while focusing on quality of the products manufactured by us. For instance, as of Fiscal 2019, Fiscal 2020, and Fiscal 2021, and the three months period ended June 30, 2021, our Fixed Assets Turnover stood at 13.11x, 11.32x, 12.94x and 22.27x, respectively.

Set out below are our key operating and financial metrics:

(In ₹ million, except percentages)

| Particulars | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month period ended June 30, 2021 |
|-------------------------|-------------|-------------|-------------|--|
| Revenue from operations | 9,176.94 | 9,013.71 | 10,857.17 | 4,384.28 |
| EBITDA | 478.74 | 474.92 | 1,288.23 | 737.24 |
| EBIT | 471.01 | 472.19 | 1321.10 | 772.11 |
| PAT | 247.51 | 296.47 | 928.81 | 542.71 |
| NWC | 851.54 | 922.90 | 1,720.37 | 2,112.35 |
| ROCE | 30.77% | 25.61% | 41.65% | 84.12% |
| ROE | 18.92% | 18.67% | 42.13% | 74.10% |
| ROA | 8.04% | 8.57% | 17.35% | 30.90% |

| Particulars | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month period ended June 30, 2021 |
|-------------------|-------------|-------------|-------------|--|
| EBITDA Margin (%) | 5.22% | 5.27% | 11.87% | 16.82% |
| PAT Margin | 2.70% | 3.29% | 8.55% | 12.38% |
| EPS | 4.62 | 5.51 | 17.55 | 10.13 |
| Debt to Equity | 0.00 | 0.26 | 0.29 | 0.48 |

Our strengths

Diversified product portfolio and customised customer solutions catering to certain large and growing markets

We manufacture a wide and diversified range of SCEs, PSAs for various end user industries, such as paints, packaging, and chemicals for construction, textiles, leather, carpet and paper. Amongst Indian manufacturers, we have one of the largest range of products in SCEs and PSAs product categories (*source: F&S Report*).

Our products are marketed under the brands Bondex®, Rdy mix®, Coviguard®, INDTAPE®, Blue Glue® and Polytex™. We have continuously diversified our product portfolio to address the needs of a diverse range of customers and applications. As of June 30, 2021, we had a portfolio of 170 products, which included 111 specialty products. We also have a robust pipeline of products, which comprises 44 products under development as of June 30, 2021, which will enable us to cater to existing and new customers and markets. With a strong 27 member R&D team, we are the market leader when it comes to the new product launches (*source: F&S Report*). We have launched 113 products in the last three Fiscals and the three month period June 30, 2021.

All our products are water-based, free of volatile organic compounds (“VOC”), and environment friendly (as compared to solvent based products). The shift in the trend towards the adoption of environment-friendly paints and coatings coupled with the favourable regulatory scenario is likely to support the development of low VOC content or VOC-free paints and coatings (*source: F&S Report*). Accordingly, we believe our environment friendly approach will enable us to capitalise on such a shift.

The table below provides details of our product groups, brands, and end-uses:

| Product group | SCE & PSA Products Manufactured | Brand / trade name | End-use Products | End-user Industry |
|---------------|---|--------------------|--|---|
| SCE | Pure Acrylic Emulsions | Bondex/ Coviguard | <ul style="list-style-type: none"> Interior and exterior paints Textile printing Construction | <ul style="list-style-type: none"> Paints Textile chemicals Construction chemicals |
| | Styrene Acrylic Emulsions | Bondex / Coviguard | <ul style="list-style-type: none"> Interior and exterior paints, Textile printing Construction (water proofing compound, Cementous water proofing compound, elastomeric / flexible coating) Paper coating Leather binders | <ul style="list-style-type: none"> Paints Textile chemicals Construction chemicals Paper chemicals Leather chemicals |
| | Acrylic Dispersing Agents, Thickeners | Bondex | <ul style="list-style-type: none"> Interior and exterior paints Carpet back coating Textile binders | <ul style="list-style-type: none"> Paints Textile chemicals Carpets |
| | VAM Acrylic Emulsions & VAM Veova | Bondex | <ul style="list-style-type: none"> Interior and exterior paints Carpet back coating textile finishing Construction | <ul style="list-style-type: none"> Paints Textile chemicals Carpets Construction |
| | Binders & TIO2 Slurry, Extenders | Rdy mix | <ul style="list-style-type: none"> Interior and exterior paints | <ul style="list-style-type: none"> Paint |
| | Polyvinyl Acetate Emulsions Homopolymer | Polytex/ Bondex | <ul style="list-style-type: none"> Wood adhesives Textile finishing | <ul style="list-style-type: none"> Furniture E-commerce Textile chemicals |
| PSA | Pure Acrylic Emulsions | Bondex | <ul style="list-style-type: none"> Tapes | <ul style="list-style-type: none"> Packaging FMCG Pharmaceuticals E-commerce |
| | VAM Acrylic Emulsions | Bondex | <ul style="list-style-type: none"> Labels | <ul style="list-style-type: none"> Packaging FMCG Pharmaceuticals |

| Product group | SCE & PSA Products Manufactured | Brand / trade name | End-use Products | End-user Industry |
|---------------|---------------------------------|--------------------|---|--|
| | | | | <ul style="list-style-type: none"> E-commerce |
| | Pigment Emulsion | Bondex | <ul style="list-style-type: none"> Tapes | <ul style="list-style-type: none"> Packaging FMCG Pharmaceuticals E-commerce |

Our revenue from SCE products was ₹4,008.99 million, ₹4,275.64 million, ₹5,350.87 million, and ₹2,435.32 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, representing 43.69%, 47.43%, 49.28% and 55.55% of our revenue from operations, respectively. Our revenue from PSA products was ₹4,084.03 million, ₹3,664.88 million, ₹4,237.93 million and ₹1,666.08 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, representing 44.50%, 40.66%, 39.03% and 38.00% of our revenue from operations, respectively.

Due to our R&D capabilities, we have been able to develop customized products and solutions as per customer requirements. For further details of their key characteristics, please see “- *Our Product Portfolio*” on page 141. Further, our R&D capabilities and experience enables us to offer value-added services to our customers in relation to application of products, improvement in effective utilization, increasing product efficiency, improving quality consistency, uninterrupted supply planning, and tanker supply facilities to save packing costs. Our R&D capabilities also allow us to service customers in different industries in over 50 countries. We strive to continuously monitor, analyse and adapt to changing consumer preferences across diverse geographies thereby ensuring that our products continue to remain relevant in evolving markets and help our customers enhance their brand value.

Our qualified and experienced in-house R&D team focuses on the development of various specialty and performance products for our customers. We have adopted an innovation funnel model, which allows us to customize our products in line with customer expectations and end-user preferences.

Once qualified, products tailored to a customer’s application and processes tend to have a life cycle linked to that of the customer’s needs, which, may be several years in the case of some products. By working closely with our customers, we are able to innovate and develop technologies that can be applied effectively in our products for customers. Our ability to have longstanding relationship with customers enables the stability of our revenue and facilitates the development of new product applications.

Out of the various industries we supply to, our primary focus is on the paints and packaging industries. As per F&S Report, the Indian paint industry was valued at around ₹611 billion in 2020, and is poised to grow at 12.2% CAGR till 2025. The Indian paint industry has registered a growth at a CAGR of ~11% during 2015-20; which is ~2x of the GDP’s growth rate. This is led by the (i) shift of preference towards odour free, and (ii) dust and water resistant paints. This shift can be attributed to the rise in urbanization, growth in the popularity of branded paints and shortening of the house re-painting cycle. In the last decade, the average re-painting cycle has reduced from 7-8 years in 2010 to 4-5 years in 2020 (interior painting majorly). Further complementing this is the massive infrastructure push by the Government of India across the sectors like roads to ports, and schemes like smart cities and urban mission to the Housing for All. We cater to the packaging industry which is expected to grow on the back of booming ecommerce market in India which, as per F&S Report, is expected to expand to US\$111.40 billion by 2025 from US\$46.2 billion in 2020. India is the fifth largest packaging industry and is expected to grow at a healthy rate which augurs well for the demand of acrylic PSAs. Further, high performance adhesives for niche applications such as high-precision bonding is expected to drive the market growth. In this light, PSA market for packaging segment is expected to grow at a healthy rate of 6.9% over 2020-23, higher than the overall market growth at 5.4%. Accordingly, our business caters to a large and growing market, as indicated in the aforesaid industry trends and statistics.

One of the leading players in SCEs and PSAs with diversified geographical presence spanning across key regions

We are one of the leading manufacturers of SCEs and PSAs in tape and label segments (in terms of sales value), in India (*source: F&S Report*). Our products are used in various end user industries, such as paints, packaging, and chemicals for construction, textiles, leather, carpet and paper. Amongst the Indian manufacturers, we have one of the largest range of products in SCEs and PSAs product categories (*source: F&S Report*).

We are one of the leading SCE suppliers to the Indian paint sector with about 30% market share in the segment in Fiscal 2021, in terms of sales value (*source: F&S Report*). With a robust, low-cost manufacturing, coupled with superior product offering we are one of the leading supplier of PSA in tape and label segment in India (in terms of sales value). We hold about 10% market share in terms of exports out of India for PSA products, in terms of sales value (*source: F&S Report*).

We have successfully established a strong foothold in high-growth markets across Asia-Pacific, Middle East and Africa, for both SCE and PSA products (*source: F&S Report*). We are the largest exporter of Polymers of Vinyl Acetate (*HS code 3905*)

and Acrylic Polymers (*HS code 3506*), which are used in SCEs and PSAs, from India in Fiscal 2021. We exported 6,687 tons of Polymers of Vinyl Acetate during Fiscal 2021, which is 52.9% of the total export of the same from India. Similarly, we also exported 38,888 tons of Acrylic Polymers (*HS code 3506*) in Fiscal 2021, which is 36.1% of the total exports of the same from India (*source: F&S Report*).

Our domestic as well as export sales are driven by direct customer sales, as well as sales to distributors. While direct sales to customers account for majority of our revenue, we also undertake sales through a wide global distributor network. As of June 30, 2021, we had 121 distributors across more than 50 countries. Accordingly, our distributor network across various countries helps us establish our presence across diversified geographies.

Set out below are the region-wise details of our revenue, as a percentage of our total export revenue, for the applicable financial periods:

| Region | Fiscal 2019 | | Fiscal 2020 | | Fiscal 2021 | | Three month ended June 30, 2021 | |
|--------------|------------------------|--|------------------------|--|------------------------|--|---------------------------------|--|
| | Revenue (in ₹ million) | % contribution to total export revenue | Revenue (in ₹ million) | % contribution to total export revenue | Revenue (in ₹ million) | % contribution to total export revenue | Revenue (in ₹ million) | % contribution to total export revenue |
| Africa | 734.29 | 38.86% | 857.94 | 37.96% | 1,269.70 | 43.47% | 767.71 | 47.82% |
| Asia Pacific | 787.25 | 41.66% | 898.23 | 39.74% | 945.54 | 32.37% | 480.56 | 29.93% |
| Middle East | 280.14 | 14.83% | 372.11 | 16.46% | 534.41 | 18.29% | 265.08 | 16.51% |
| Others | 87.80 | 4.65% | 131.83 | 5.83% | 171.48 | 5.87% | 92.16 | 5.74% |
| Total | 1,889.48 | 100.00% | 2,260.11 | 100.00% | 2,921.14 | 100.00% | 1,605.51 | 100.00% |

In addition to our domestic sales in India, since our first export in 2008 we have significantly increased our geographical footprint in recent years by focusing on certain emerging markets such as Asia-Pacific, Africa and Middle East. We have set-up sales offices in Mumbai, Chennai and Delhi so as to enable us to market our products as well as understand customer needs in these regions, and consequently, develop products to service such requirements. As of June 30, 2021, we had a global footprint of exports to more than 50 countries. Set out below is a map indicating our export markets and diversified geographical presence*:



(Map not to scale)

**As of June 30, 2021, the countries where our Company exports products include Nigeria, Vietnam, Algeria, UAE, Bangladesh, Ethiopia, Nepal, Kuwait, Senegal, Ghana, Sri Lanka, Iraq, Cote D'ivoire, Philippines, Uganda, Israel, Madagascar, Syria, Qatar, Thailand, Egypt, Jordan, Russia, Sudan, Zambia, Romania, Venezuela, Bahrain, Sierra Leone, Lebanon, Sultanate Of Oman, Australia, Haiti, Turkey, Tanzania, Kingdom Of Saudi Arabia, Cameroon, Kazakhstan, Iran, Taiwan, USA, Kenya, Indonesia, Malaysia, Singapore, South Africa, and China, Angola, Germany, Libya, Togo, Tunisia.*

Strategically located production facilities with fungible capabilities, efficient supply chain management and export capabilities

We have six strategically located manufacturing facilities, comprising two facilities at the Daman (Dadra and Nagar Haveli and Daman and Diu), and one facility each at Roorkee (Uttarakhand), Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), Mundra (Gujarat) and Vapi (Gujarat) which cater to the domestic as well as export markets. For further details, please see “- *Manufacturing Facilities*” on page 143.

All our manufacturing facilities offer fungibility across product groups which we manufacture, allowing us flexibility to move the production basis the market demand between SCEs and PSAs, subject to such production quantities being within the capacity limits set out in the respective approvals. For further details, please see “*Government and Other Approvals*” on page 277.

Our manufacturing operations are strengthened by our R&D capabilities, infrastructure, and process knowledge. Our machines are equipped for both individual and diversified processes, and their fungibility enables us to employ them in the most optimum manner and for efficient capacity utilisation.

Our multi-location facilities and strong distribution network comprising of supply in tankers, flexi tanks, intermediate bulk containers, drums, caters to the demands of clients from varied geographies. Most of our manufacturing facilities are located either near custom ports or within close proximity, allowing for logistical efficiency. We have established one of our manufacturing units at APSEZ, Mundra, which provides various tax benefits and consequent reduction of costs. The tax benefits and strategic location of the facility makes it suitable for manufacturing export products. For further details, please see “- *Focus on increasing exports through multipronged approach*”.

Our procurement, manufacturing, supply chain and distribution processes are based upon data analytics and are digitally managed. This includes the procurement of materials, manufacturing (on an SKU-identifiable basis), inventory management and store replenishment. As a result, we are able to forecast, plan and optimize our operations and ensure that we can meet the requirements of our customers.

We operate a quality controlled supply chain for the procurement of raw materials used for the manufacturing of our products. Our manufacturing processes are semi-automated and include polymerisation, quality checks and packing. While we carry out some production processes in-house at our factories, some portion of our manufacturing is outsourced to third party manufacturers. We are capable of increasing our outsourcing capabilities to third party manufacturers to meet increased demand. Once our products are manufactured (either by us or by third party manufacturers), they are packaged and either stored in our factories and warehouses for onward dispatch and distribution, or directly dispatched from the manufacturing facilities of our third party manufacturers.

Our warehouses are located at Daman, Vapi and Delhi for all our finished products. All our inventory management processes are also operated through our warehouses where we have system-driven processes to assist with our inventory management. This includes system-driven distribution and replenishment of inventory.

We have received the ‘Responsible Care’ certification from the Indian Chemical Council (“ICC”), which indicates an environmentally conscious outlook for our manufacturing facilities. We are committed to maintaining high quality standards throughout our manufacturing cycles, and have established quality control measures in various facets of our manufacturing process and quality control.

Diversified customer base with long term relationships with marquee customers both domestically as well as globally

We have a diversified customer base across various industries such as paints, packaging, and chemicals for construction, textile, paper, carpet and leather.

Set out below is an end-user industry wise break-up of our revenue contribution for the referenced financial period:

| Product group* | End-user industry | Fiscal 2019 | | Fiscal 2020 | | Fiscal 2021 | | Three month period ended June 30, 2021 | |
|----------------|-------------------|--|---|--|---|--|---|--|---|
| | | Revenue from operations (in ₹ million) | % contribution to revenue from operations | Revenue from operations (in ₹ million) | % contribution to revenue from operations | Revenue from operations (in ₹ million) | % contribution to revenue from operations | Revenue from operations (in ₹ million) | % contribution to revenue from operations |
| SCE | Paints | 3,431.97 | 37.40 | 3,586.85 | 39.79 | 4,713.91 | 43.42 | 2,165.96 | 49.40 |
| | SCE Others* | 577.02 | 6.29 | 688.8 | 7.64 | 636.96 | 5.86 | 269.35 | 6.14 |
| PSA | Packaging | 4,084.03 | 44.50 | 3,664.88 | 40.66 | 4,237.93 | 39.03 | 1,666.08 | 38.00 |
| Others* | Others** | 1,083.92 | 11.81 | 1,073.18 | 11.91 | 1,268.38 | 11.69 | 282.88 | 6.46 |
| Total | | 9,176.94 | 100.00 | 9,013.71 | 100.00 | 10,857.17 | 100.00 | 4,384.28 | 100.00 |

* Includes textile chemicals, construction chemicals.

** Includes trading sales, export incentives, job works income and scrap sales.

We supply our SCE products to various reputed players in the (i) domestic paint industry such as Berger Paints, Indigo Paints, Kamdhenu Paints, JSW Paints, Nippon Paints, and Shalimar Paints, and (ii) in the global paints industry such as Apollo Paints, Kansai Nerolac, Moon Star Paints, and Caparol Paints. Further, we also supply our PSA products to various reputed players in the (i) domestic packaging industry such as Cosmos Twisters, Cellotape, Mexim Adhesives, Sarvodaya Industries, Storm Infracon, and SMI Coated Products, and (ii) global packaging industry such as Lalan Printing and Packaging, Tuftape, Well Accessories, and Western Paper Industries. We also supply to various players in the constructions chemicals industry such as Forsoc Chemicals, SIKA India.

As of June 30, 2021, we supplied to more than 50 countries in the paint industry, and 11 countries in the packaging industry. Our top 10 customers contributed to 22.08%, 21.33%, 23.22% and 26.11% of our revenue from operations for Fiscal 2019, Fiscal 2020 and Fiscal 2021 and the three month period ended June 30, 2021, respectively. Accordingly, our diverse customer base enables us to de-risk customer concentration.

Our global network of sales helps in reducing our dependence on any single product or geography. We believe that our limited dependency on any single geography or customer helps in mitigating the effect of economic and region-specific cycles.

As of March 31, 2021, we had 1,501 customers. As of June 30, 2021, our total number of customers temporarily reduced to 1,111 customers on account of the impact of COVID-19. The average age of our relationship with our top 10 customers as of Fiscal 2021, spans more than a decade. Our quality consciousness enables us to have long term relationships with our customers.

Our customer base comprises sales to direct customers and sales through distributors. Distributors are entities that purchase our products and then on-sell these products. As of June 30, 2021, we had 990 direct customers and 121 distributors. Our direct customers are export and local players manufacturing paints, tapes, labels, and chemicals for textiles, construction, leather, carpet and paper. We have an extensive distribution network in India and worldwide, enabling our products to be sold in more than 50 countries as of June 30, 2021. As per the F&S Report, we enjoy 85%+ wallet share with our top customers.

Our Company has been an exporter of SCEs and PSAs since 2008. While we commenced our operations as a local supplier to paint, tape and label companies in India, we have expanded and diversified our scale and scope of operations over the years so as to become a global supplier to paint, tape and label companies across major geographies, such as Asia Pacific, Africa, Middle East. Our ability to establish long-standing relationships with our customers is a catalyst for our continued growth and success.

Innovation and R&D led product offering

We are an innovation led company with a dedicated focus on developing specialty products with services, customized based on customer requirements and specific orders. Our R&D facility houses a team of 27 qualified scientists as of June 30, 2021, which along with our decades of experience in the SCE and PSA industries, enables us to develop a robust pipeline of specialized products and solutions, which are customized to our customer requirements.

We have a dedicated R&D facility, located at Turbhe, Maharashtra, which is recognized by Department of Scientific and Industrial Research (Ministry of Science and Technology), Government of India.

Growth barriers in manufacturing of SCE and PSA products, include, amongst others, (a) wide range of products (b) dedicated R&D team (c) required size of operations, (d) difficulty in customer acquisition in the absence of existing customers (e) understanding, implementation and sustenance of quality systems and customer requirements, (f) customer management and logistics. We have approximately two decades of experience in the SCE and PSA industry, which enables us to understand the complex chemistry involved.

We have invested in our R&D to create and develop our products. Our R&D expenditure accounted for ₹31.94 million, ₹ 29.62 million, ₹47.43 million, and ₹13.95 million, in Fiscal 2019, 2020 and 2021, and the three month period ended June 30, 2021, respectively.

Our focus on product innovation through continuous R&D has been critical to the growth of our business. With a view to customize our products in line with customer expectations and end-user preferences, we have adopted an innovation funnel model. As per the F&S Report, due to our R&D capabilities and our long-standing relationships with customers, we are one of the very few companies to have developed customized products in collaboration with its customers in SCE and PSA product groups.

Our R&D activities are focused on process design and developing new products to align with customer and market requirements. Accordingly, we have focused on (a) introducing new products for capitalizing on the increasing trends of premiumization, anti-microbial products, anti-viral products, products with better properties such as durability, ease of application, and (b) introduction of more environment friendly products. Examples of successful results of our R&D activities are commercialisation of (i) a cost-effective polymeric extender, which is an important white pigment used in the paint industry, (ii) re-dispersible polymer powder (“**RDP**”) which is a powder form of liquid emulsion prepared by a spray drying or freeze-drying process, and (iii) new dispersing agents for usage in paint formulations. Our entire product portfolio, which comprises of 170 products as of June 30, 2021, has been developed by us in-house. As of June 30, 2021, we were conducting research and development for 44 new products.

Our manufacturing facilities are ISO certified which include (i) BS OHSAS 18001: 2007; ISO 14001 : 2015; ISO 9001 : 2015 for Roorkee (Uttarakhand), (ii) ISO 9001 : 2015 for Daman (Dadra and Nagar Haveli and Daman and Diu), (iii) ISO 9001 : 2015; BS OHSAS 18001 : 2007; ISO 14001 : 2015 for Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), and (iv) ISO 9001 : 2015; ISO 14001 : 2015; BS OHSAS 18001 : 2007 for our R&D centre (Turbhe). Further, our manufacturing facility at Mundra (Gujarat) has received the ISO 9001:2015 certification from QFS Management Systems LLP, for manufacture and supply of SCEs and PSAs. For further details, please see “- *Manufacturing Facilities*” on page 143.

Professional and experienced Promoter and board of directors

Our Promoter, Mr. Dhires Gosalia, has approximately three decades of experience, in the SCE and PSA industry, which enables us to understand the complex chemistry involved, and offer innovative solutions to our customers. For further details, please see “*Our Management*” on page 165.

Further, we are driven by a qualified, professional and dedicated Board, comprising of professionals with experience across various sectors. Our Promoter as well as Board’s collective experience and capabilities enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences.

Our strategies

Continue our focus on R&D, further diversification of our product offerings, and expansion of our production capacities

We are an innovation led company with a dedicated focus on developing specialty products, customized to the specific needs of our customers. Some of our key R&D undertakings in the past have included, (i) developing cost effective opaque polymers as substitutes to raw materials such as TiO₂, and (ii) creating a surface treatment products with antiviral properties (iii) developing products as an import substitute for filmic label application (iv) developing products for the powder-based wall putty market, (v) developing an adhesive for BOPP Tape to have minimal foaming on customer’s coating machines with better shear values.

We currently have a robust pipeline of products, which comprises 44 products under development as of June 30, 2021, allowing us to cater to new customers and markets. We believe that we possess the necessary skills, in-house R&D capabilities and intellectual property competence to develop products, which can be manufactured and marketed in both domestic and international markets, and have demonstrated this in the past as well.

As per the F&S Report, the consumption of water-based paints is rising globally, and the demand is expected to remain high as the Indian paint manufactures are switching from solvent-based to water-based paints. The overall fluctuating prices of oil are creating a major pricing issue for paint companies. The slew of recent capacity increases announced by key paint firms is also more concentrated on water-based systems. Our focus on R&D and customized solutions approach positions us well to capitalize on the increasing demand for water-based paints.

We have, in the past, also undertaken in-house development of products such as RDP, opaque polymer, anti-microbial agents, anti-viral agents, dispersing agents, thickeners, universal primers, road-marking paints. We have applied for registration of two patents in India for RDP and its preparation process, and a long acting biocidal composition and its preparation process.

With a view to further strengthen our R&D capabilities, we continuously recruit and appoint scientists of varied experience and expertise at our R&D center. We believe our strategic focus on R&D has been critical to our success and a differentiating factor in becoming one of the key suppliers in the SCE and PSA industries. Accordingly, we intend to continue to focus on R&D and 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, as we have in the past. Our current infrastructure allows us to expand our product offerings.

We intend to diversify our existing product portfolio by adding new products which are synergistic with our existing products and chemistries. Such new additions will include additional offerings in the paint, tape, label, textile, construction, leather, carpet and paper industries. Further, we intend to increase our current market share of products by penetrating deeper into existing domestic markets, as well as export markets.

We outsource manufacturing of certain of our products to contract manufacturers; and also undertake contract manufacturing for a reputed player. Our contract manufacturers contributed 1.01%, 11.34%, 26.38% and 32.79% of our total sales quantity for Fiscal 2019, Fiscal 2020, Fiscal 2021 and three months period ended June 30, 2021. As part of contract manufacturing operations by us, our customer provides us with the technical assistance, information required, and raw materials for the required products, which are manufactured by our Company based on purchase orders. We intend to explore further contract manufacturing opportunities in the future.

In 2020, the global paints and coatings market was ~48 billion litres valued at US\$ 160 billion, with a ~5.5 % CAGR through 2025. This will be driven by an expected growth in global manufacturing activity and increasing demand for coatings used in the production of motor vehicles, durable goods, and industrial maintenance applications. The emulsions market was valued at US\$ 6,413 million in 2020 and is projected to reach US\$ 9,035 million by 2025 growing at a CAGR of 7.45% from 2020 to 2025. Asia is expected to be the highest contributor to this market, with USD 1,332.8 million in 2020, and is anticipated to reach USD 1,954 million by 2025, registering a CAGR of 8.51%. Asia and North America collectively expected to account for about 62.6% share of the emulsions market in 2019, with the former constituting around 32.8% share. The water based paints market was valued at USD 2,707 million in 2020 and is projected to reach USD 3,723 million by 2025 growing at a CAGR of 7.10% from 2020 to 2025. Asia is expected to be the highest contributor to this market, with USD 872 million in 2020, and is anticipated to reach USD 1,261 million by 2025, registering a CAGR of 8.17%. Asia and Europe are expected to witness significant growth rates at a CAGR of 8.17% and 6.61% respectively, during the forecast period (*source: F&S Report*).

In 2020, the Middle East paints and coatings market is expected to be worth more than US\$ 8 billion, with a CAGR of more than 3.5 % expected during the forecast period (2021-2026). In 2020, the Architectural Paints & Coatings market was valued at 73.6 US\$ billion and is forecasted to advance 4.5% per year through 2025 to 87.8 USD billion. Architectural coatings are used to decorate and protect new and existing residential, commercial, institutional, and industrial structures the demand for architectural coatings varies with the building and resale markets. F&S expects growth in demand mainly to be driven by APAC (which currently holds the biggest share of the Architectural market at 43% in volume, 34% in value) due to continued urbanization, and by North America, supported by the continued recovery in the housing market, and demand for re-modelling activities (*source: F&S Report*).

As of June 30, 2021, our total annual manufacturing capacity was 1,65,390 MTPA. For the purposes of increasing our product portfolio and harnessing industry growth trends set out above, we intend to expand our production capacities. To undertake expansion of our current manufacturing capacities, we have entered into a lease agreement for 99 years with GIDC to acquire a land parcel admeasuring 26,594.75 sq. mtrs. at GIDC, Dahej, where we intend to set up a manufacturing facility for SCE and PSA products.

Increase wallet share with existing customers and continue focusing on expanding 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 customers positions us well to increase wallet share with existing customers, and to continue focusing on expanding our customer base. As per the F&S Report, there was an addressable Indian market opportunity for us of US\$ 240 million for SCE in Fiscal 2021. Further, there was also an addressable export market opportunity for us of US\$ 2,862 million for SCE in Fiscal 2021. As per the F&S Report, larger players have their captive capacities for meeting ~75 -80% of their requirements, and we are expected to be the biggest beneficiary of outsourcing by new entrants in the paint industry.

Further, as per the F&S Report, certain growth drivers for the paint industry include Pradhan Mantri Awas Yojana, Smart Cities, Atal Mission for Rejuvenation and Transformation and rapid growth of urbanisation. We believe our customers will stand to benefit from such growth drivers, and consequently help us increase our wallet share with such customers.

We intend to tap into the market share of existing customers for other products as well the corresponding market and supply chain for such other products. We intend to engage in cross-selling of our current product portfolio across our spectrum of customers.

Harnessing our global footprint and experience, we intend to introduce specialty products to our existing customers and also have deeper penetration in the markets, and expand our wallet share with them. We believe that the repeated business and appreciations we have received from our customers for value addition, over the years are indicators of our position as a preferred supplier.

While we believe that our continuing R&D endeavours for quality will help increase our overall market share for both our product groups, we intend to focus on increasing our wallet share with existing customers in the years to come. We have built long-standing relationships with our customers through various strategic endeavours, including technical interactions, which we intend to leverage by capitalizing our diversified product portfolio offers. Further, we plan on utilizing our expanded geographical footprint to address the sourcing requirements of our existing customers as and when they enter new markets, thereby consolidating our position as a preferred supplier across geographies.

We have set-up sales offices in Mumbai, Chennai & Delhi, so as to enable us to market our products as well as understand the customer needs in these regions. Further, we engage in sales, marketing and product development through our Associate, Dura Jesons LLC. We also regularly take part in trade shows and exhibitions. Going forward, we intend to continue to leverage our direct marketing and distributor network, diversified product portfolio and our industry standing to establish relationships with new export and local customers and expand our customer base. We intend to increase the wallet share of our export customers, consequently and increase the export contribution to our revenue. We intend to do this by adding more specialised and customised products to our product portfolio.

Further, we intend to increase our revenue streams from various other end-user industries including textile, paper, leather and adhesives industries.

Increase the share of speciality products in our revenue from operations

The contribution of speciality products to our revenue from operations was 16.67%, 21.57%, 23.53% and 23.30% for Fiscals 2019, 2020, 2021 and three months period ended June 30, 2021, witnessing growth of 41.51% in the aforesaid financial periods. As of June 30, 2021, we had 111 speciality products forming part of our product portfolio, representing 65.29% of our total product portfolio. Our speciality products have historically fetched us better profit margins, as compared to other non-speciality chemical products. Further, our robust R&D capabilities allow us to develop such products in house. For further details, please see "*Innovation and R&D led product offering*" on page 137.

Accordingly, we intend to increase the share of speciality products in our revenue from operations. Such speciality products where we intend to focus, include RDP, opaque polymer, anti-viral coating, dispersing agents, construction chemicals, rheology modifiers and primers.

To this end, as of June 30, 2021, we were conducting research and development for 44 new products.

We believe such new products, and a further increase of their share in our total product mix, will enhance our revenue streams and financial performance in the future.

Focus on increasing exports through multipronged approach

Our Company has been an exporter of SCEs and PSAs since 2008, and has a global footprint of exports to more than 50 countries, as of June 30, 2021. The contribution of export products (including export incentives) to our revenue from operations was ₹1,889.48 million, ₹2,260.11 million, ₹2921.14 million, and ₹1,605.51 million, representing 20.59%, 25.07%, 26.91% and 36.62% for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, witnessing a CAGR of 24.34% between Fiscal 2019 and Fiscal 2021.

With a view to further diversify our export customer base and increase our exports, we intend to augment our sales in the foreign markets where we sell our products as well as expand into new territories. We intend to penetrate further in our existing markets of Africa, Middle East and Asia Pacific. We also intend to explore newer geographies, and expand our geographical footprint in PSAs and SCEs. Some of the geographies we intend to explore are USA, Mexico, Brazil, Australia, Canada. For the purpose of such expansion, we will participate in industry trade fairs and exhibitions, and assess potential customers leads. Further, our existing customers also provide referrals for their operations in other countries. We also approach potential customers digitally to initiate dialogue. Further, we believe our existing relationships with reputed customers, and demonstrated expertise in manufacturing of SCEs and PSAs will enable us to acquire new customers.

Further, as per the F&S Report, several global players are opting for a "China + 1 offshore strategy", with capacities shifting to cost efficient markets with strong technology capabilities like India. India's specialty chemical companies are gaining favour with global multinational corporations because of the geopolitical shift after the COVID-19, as the world looks to reduce its dependence on China. Increasing tariff levels and changing environmental policies in China along with the 'Make in India' initiative and a permit for 100% FDI from India, would add more possibilities of specialty chemicals manufacturing base

shifting from China to India (*source: F&S Report*). We intend to harness such sourcing shift in the industry to increase our exports volumes.

We have set up our manufacturing facility in Mundra to focus on manufacturing products for the export market. The Mundra facility is situated in an SEZ, which provides various tax benefits for exports, such as exemptions from profit and gains, duty free imports inward supply of goods without levy of GST, exemption from state taxes and electricity duty. Further, it is located at the Mundra port, which allows for efficient logistics and reduction in transport costs. Going forward, we expect the location of our Mundra facility will help us increase our exports.

Continue improving financial performance through focus on operational and functional efficiencies

We have established one of our manufacturing units at APSEZ, Mundra, which provides various tax benefits and consequent reduction of costs, with a view to improve our financial performance and operational efficiency. Most of our manufacturing facilities are located near custom ports, allowing for logistical efficiency. We intend to capitalize on such proximity.

We are in the process of introducing additional manufacturing and ancillary processes such as packaging, to eliminate dependence on other parties, as well as increase operational efficiencies. For example, we have installed a drum manufacturing facility at our Mundra plant to produce drums, which will enable in-house production of drum containers used for storage and packing, thereby reducing packing costs.

We believe that our focus on functional excellence and providing customer oriented solutions has contributed to our financial strength and performance whilst also strengthening the trust and engagement that we share with our customers. Our EBITDA for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three months period ended June 30, 2021, was ₹478.74 million, ₹474.92 million, ₹1,288.23 million and ₹737.24 million, increasing at a growth rate of 64.04% between Fiscal 2019 and Fiscal 2021.

We believe that the various strategic initiatives that we have implemented, including the continued investment in our manufacturing facilities, developing and enhancing our in-house capabilities, and our supply-chain management will continue to play a critical role in our future success. Accordingly, we intend to build on our various strategic initiatives to achieve operational excellence that translates into financial strength and performance.

We have set-up a Technology Excellence Group (“**TE Group**”), comprising our technology team and sales and marketing team, which spearheads our in-house development of product capabilities.

We have also engaged the services of an international business consultancy, to help us create a better future, ability to challenge conventional thinking in a productive and constructive manner and communication that engenders collaboration and quality of relationship.

As on June 30, 2021, our aggregate installed capacity across our six strategically-located manufacturing facilities was 165,390 MTPA. Currently, we have access to additional land at our existing manufacturing facilities at Mundra and Chennai manufacturing units, which provides significant headroom for future growth. Moving forward, we will continue to rely on the in-house expertise of our TE Group to periodically review the functioning of our in-house product development strategy, identify scope for expansion or de-bottle necking and undertake projects to increase our production capabilities.

In Fiscal 2021, 26.91% and 73.09% of our revenue from operations was derived from export customers (including export incentives) and local customers (including income from job works and scrap sales), respectively. Going forth, we intend to continue to refine our supply-chain management to enhance operational efficiencies as our business grows.

We believe the above factors will contribute towards improving our financial performance through focus on operational and functional efficiencies.

Business Operations

Our Product Portfolio

We categorise our products into two product categories, being SCE and PSA. In the aforesaid categories, we manufacture specialty as well as performance products.

Specialty products

We regard specialty products as products which (i) give a clear differentiation and value proposition, impact the performance of the end product (e.g. thickener, dispersing agent, tinting agent in a paint or colorant for pigment paste for tapes etc.), (ii) are eco-friendly, (iii) are developed and customized according to customer requirements, and (iv) are developed as an import substitute to ensure supply security with in-house R&D.

Performance products

We regard performance products as products, which are in the mature phase of their life cycle, and have been in use for elongated durations, and have local competitors offering similar products with limited differentiation. Performance products are used in bulk for common applications, and the value addition is through operational efficiencies like purchase, supply chain management, just in time deliveries, production batch optimisation, production batch quantities.

SCE

Paint Binders

We manufacture a wide variety of emulsion binders of different chemistries, such as, Pure Acrylic, Styrene Acrylic, VAM Acrylic, VAM Veova, PVA Homopolymers. Set out below are the details of our products:

Pure Acrylic Emulsion: Pure acrylic emulsions are based on all acrylic monomers and produced by free radical polymerization. This category of emulsions is used in premium to luxury grade of paints. Pure acrylic emulsion is used for exterior as well as interior decorative paint application. Some of the pure Acrylic emulsions are also suitable as clear coats on various application. Acrylic emulsions are also used for flexible water proofing membrane as well as additive to cement to improve its workability during application.

Styrene Acrylic Emulsions: Styrene acrylic emulsions are based on styrene monomer and other acrylic monomers in different percentages. These emulsions are produced by free radical polymerization. This category of emulsions is used to prepare wide variety of emulsion paint starting from primer, putty, distempers to high gloss paint. Generally, styrene acrylic emulsions are used for interior paint application, but smart paint formulation and innovative emulsion recipes can make it a suitable candidate for exterior paint application. Apart from this styrene acrylic emulsions are also used as binder for water proofing / damp proof paint membrane, cement additive to improve workability and other properties.

VAM Acrylic Emulsions: In these emulsion Vinyl Acetate is major monomer, accompanied by Acrylic monomer in different ratios, and produced by free radical polymerization. VAM Acrylic emulsions are generally used for interior application. The formulator can develop paint with Matt and Satin Finish, distemper, putty using these emulsions.

VAM Veova Emulsions: In these emulsion Vinyl Acetate is major monomer, accompanied by Veova and / or Acrylic monomer in different ratios, and produced by free radical polymerization. VAM Veova emulsions are used for interior as well as exterior paint application. These types of emulsion display better water resistance as compared to VAM Acrylic emulsions.

VAM Homo Polymers: Vinyl Acetate monomer is homopolymerized to prepare VAM Homopolymers. They are classified depending on the stabilization system used, viscosity, solids, and plasticizer dosages. These are used in textile and adhesives.

Dispersing Agents

Dispersing agents are used to disperse and stabilize pigments and other particles within paints, coatings and ink formulations. For formulators, they represent an essential component as they provide colour strength, gloss, viscosity stability and prevent sedimentation of particles. Dispersing agents are classified based on the chemistry, solids and counter ion stabilization. We manufacture all acrylic as well as modified acrylic dispersing agents with solids ranging from 25 to 40%. The dispersing agents in our product range are of two categories, being Ammonium and Sodium salt / ion stabilized.

PSA

PSAs are a type of non-reactive adhesive which forms a bond when upon application of pressure against a surface. No solvent, water, or heat is needed to activate such adhesives. Pressure-sensitive adhesives are designed for either permanent or removable applications. We supply PSA to the tape and label manufacturing industries.

Our R&D capabilities enable us to provide customized products and solutions to our customers in the SCE and PSA product groups. Set out below are key characteristics for certain customized products we have developed for our customers:

| Sr. No. | Product* | Key characteristics |
|----------------|-----------------|--|
| 1. | SCE Product 1 | High solid styrene acrylic emulsion for modifying hydraulic mortars, flexible coatings on vertical walls, water proofing, cementitious coatings and for laying tiles |
| 2. | SCE Product 2 | VAM acrylic emulsion free from formaldehyde. |
| 3. | SCE Product 3 | Fine particle size styrene acrylic emulsion with excellent pigment loading characteristics for exterior and interior paints. |
| 4. | SCE Product 4 | Styrene acrylic emulsion free from formaldehyde for modifying cementitious compositions, crack filling, ideal for thin section application. |
| 5. | SCE Product 5 | Styrene acrylic emulsion for flexible semi glossy emulsion paint. |
| 6. | SCE Product 6 | Styrene acrylic emulsion for metal coating application |

| Sr. No. | Product* | Key characteristics |
|---------|----------------|--|
| 7. | SCE Product 7 | Formaldehyde Free and odour less product |
| 8. | SCE Product 8 | Low Viscosity product suitable for Automated plant production. |
| 9. | SCE Product 9 | Versatile product for various extender combination of paint formulation with high wet scrub |
| 10. | SCE Product 10 | Versatile product compatible with various cement grades having a higher pot life and ease of application - It is a construction chemical, water proofing |
| 11. | SCE Product 11 | Low foaming product with good cement compatibility. It is a construction chemical, water proofing |
| 12. | PSA Product 1 | Phthalate free, good coatability and high sheer pressure sensitive adhesives used for stickers |
| 13. | PSA Product 2 | No oozing with balance of sheer and peel pressure sensitive adhesives used for labels |

*Masked names used.

Set out below are the details of our product-wise sales volume as a percentage of our total sales for the periods indicated:

| Product Group | Fiscal 2019 | | Fiscal 2020 | | Fiscal 2021 | | Three month period ended June 30, 2021 | |
|----------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|-------------------------|--|-------------------------|
| | Volume (MT) | % of total sales volume | Volume (MT) | % of total sales volume | Volume (MT) | % of total sales volume | Volume (MT) | % of total sales volume |
| SCE | 60,647 | 48.04 | 74,673 | 50.96 | 87,620 | 55.60 | 26,626 | 61.95 |
| PSA | 55,506 | 43.97 | 59,705 | 40.75 | 56,601 | 35.91 | 14,504 | 33.74 |
| Trading & Others | 10,082 | 7.99 | 12,143 | 8.29 | 13,376 | 8.49 | 1,854 | 4.31 |
| Total Volumes | 1,26,236 | 100.0 | 1,46,521 | 100.0 | 1,57,597 | 100.0 | 42,984 | 100.0 |

Set out below are the details of our product-wise revenue from operations as a percentage of our revenue from operations for the periods indicated:

| Product Group | Fiscal 2019 | | Fiscal 2020 | | Fiscal 2021 | | Three month period ended June 30, 2021 | |
|--------------------------------|-----------------------|------------------------------|-----------------------|------------------------------|-----------------------|------------------------------|--|------------------------------|
| | Amount (in ₹ million) | % of revenue from operations | Amount (in ₹ million) | % of revenue from operations | Amount (in ₹ million) | % of revenue from operations | Amount (in ₹ million) | % of revenue from operations |
| SCE | 4,008.99 | 43.69 | 4,275.64 | 47.43 | 5,350.87 | 49.28 | 2,435.32 | 55.55 |
| PSA | 4,084.03 | 44.50 | 3,664.88 | 40.66 | 4,237.93 | 39.03 | 1,666.08 | 38.00 |
| Trading & Others | 1,083.92 | 11.81 | 1,073.19 | 11.91 | 1,268.37 | 11.69 | 282.88 | 6.45 |
| Revenue from operations | 9,176.94 | 100.00 | 9,013.71 | 100.00 | 10,857.17 | 100.00 | 4,384.28 | 100.00 |

Manufacturing Facilities

We have six strategically located manufacturing facilities, comprising two facilities at the Daman (Dadra and Nagar Haveli and Daman and Diu), and one facility each at Roorkee (Uttarakhand), Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), Mundra (Gujarat) and Vapi (Gujarat) which cater to the domestic as well as export markets. Most of our manufacturing facilities are located either near custom ports or within close proximity, allowing for logistical efficiency.

Most of our manufacturing facilities are supported by infrastructure for storage of raw materials, manufacture of SCEs and PSAs, storage of finished goods, together with a quality control equipment and team. In addition, our manufacturing facilities include effluent treatment plants, which treat our industrial wastewater and recycle it for reuse or for safe external disposal.

As of June 30, 2021, our aggregate estimated installed manufacturing capacity was 98,324 MTPA for SCEs, and 67,066 MTPA for PSAs.

Set out below are details of our manufacturing facilities:

Mundra (Gujarat)

The manufacturing facility at Mundra, commenced operations in Fiscal 2020. As of June 30, 2021, this facility had an estimated installed production capacity of Nil for SCE and 6,000 MTPA for PSA.

We currently manufacture PSA products at this facility.

The power requirements for this facility are met through the private power producers, and power back-ups through diesel generations to operate manufacturing and general lighting, while water is procured from the APSEZ.

Roorkee (Uttarakhand)

The manufacturing facility at Roorkee, commenced operations in Fiscal 2008. As of June 30, 2021, this facility had an estimated installed production capacity of 34,320 for SCE and 21,480 MTPA for PSA.

We currently manufacture SCE and PSA products at this facility.

The power requirements for this facility are met through the local state power grid, and power back-ups through diesel generators to operate manufacturing and general lighting, and the water requirements are met through the use of ground water.

Daman (Dadra and Nagar Haveli and Daman and Diu)

Unit I

The manufacturing facility at Daman, commenced operations in Fiscal 2000. As of June 30, 2021, this facility had an estimated installed production capacity of 25,590 MTPA for SCE and 5,070 MTPA for PSA.

We currently manufacture SCE and PSA products at this facility.

The power requirements for this facility are met through the local state power grid, and power back-ups through diesel generators to operate manufacturing and general lighting, and the water requirements are met through the use of ground water.

Unit III

The manufacturing facility at Daman, commenced operations in Fiscal 2008. As of June 30, 2021, this facility had an estimated installed production capacity of 500 MTPA for SCE and 20,500 MTPA for PSA.

We currently manufacture SCE and PSA products at this facility.

The power requirements for this facility are met through the local state power grid, and power back-ups through diesel generators to operate manufacturing and general lighting, and the water requirements are met through the use of ground water.

Vapi (Gujarat)

The manufacturing facility at Vapi, commenced operations in Fiscal 2017. As of June 30, 2021, this facility had an estimated installed production capacity of 366 MTPA for SCE and 1,194 MTPA for PSA.

We currently manufacture pigment emulsions at this facility.

The power requirements for this facility are met through the local state power grid, and power back-ups through diesel generators to operate manufacturing and general lighting, while water is procured from the industrial estate authority.

Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu)

The manufacturing facility at Gummidipoondi - Chennai Metropolitan Region, commenced operations in Fiscal 2016. As of June 30, 2021, this facility had an estimated installed production capacity of 37,548 MTPA for SCE and 12,822 MTPA for PSA.

We currently manufacture SCE and PSA products at this facility.

The power requirements for this facility are met through the local state power grid, and power back-ups through diesel generators to operate manufacturing and general lighting, while water is procured from the industrial estate authority.

Capacity and Capacity Utilization

The following tables sets forth certain information relating to our capacity utilization of all our manufacturing facilities for SCEs and PSAs, calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Roorkee (Uttarakhand)

(in MT, except percentages)*

| Particulars | Period / Year | | | |
|-----------------------------------|---------------|-------------|-------------|---------------------------------|
| | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month ended June 30, 2021 |
| Installed Capacity (in MT) | | | | |
| PSA | 21,480 | 21,480 | 21,480 | 21,480 |
| SCE | 20,520 | 20,520 | 20,520 | 34,320 |
| Actual Production (in MT) | | | | |
| PSA | 16,739 | 17,952 | 17,196 | 4,275 |
| SCE | 14,039 | 14,520 | 14,741 | 3,923 |
| Capacity Utilisation (%) | | | | |
| PSA | 77.93% | 83.57% | 80.06% | 79.60% |
| SCE | 68.42% | 70.76% | 71.84% | 45.73% |

*As certified by Mr. Anand Kumar Jain, Chartered Engineer, by way of certificate dated November 10, 2021.

Note: The production capacity mentioned here and above are interchangeable used for manufacturing SCE and PSA products.

For the three months period ended June 30, 2021, the installed capacity is provided on annualized basis, however the actual production is provided for three months period ended June 30, 2021. Accordingly, the capacity utilization percentage has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.

Mundra (Gujarat)

(in MT, except percentages)*

| Particulars | Period / Year | | | |
|-----------------------------------|---------------|-------------|-------------|---------------------------------|
| | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month ended June 30, 2021 |
| Installed Capacity (in MT) | | | | |
| PSA | - | 500 | 6,000 | 6,000 |
| SCE | - | - | - | - |
| Actual Production (in MT) | | | | |
| PSA | - | 18 | 55 | 18 |
| SCE | - | - | - | - |
| Capacity Utilisation (%) | | | | |
| PSA | NA | 3.70% | 0.92% | 1.20% |
| SCE | NA | - | - | - |

*As certified by IAAN Consultantss by way of certificate dated November 12, 2021.

Note: The production capacity mentioned here and above are interchangeable used for manufacturing SCE and PSA products.

For the three months period ended June 30, 2021, the installed capacity is provided on annualized basis, however the actual production is provided for three months period ended June 30, 2021. Accordingly, the capacity utilization percentage has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.

Further, additional installed capacity of 74,955 MTPA at our Mundra (Gujarat) facility came with effect from July 1, 2021.

Daman (Dadra and Nagar Haveli and Daman and Diu)

Daman Unit I

(in MT, except percentages)*

| Particulars | Period / Year | | | |
|-----------------------------------|---------------|-------------|-------------|---------------------------------|
| | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month ended June 30, 2021 |
| Installed Capacity (in MT) | | | | |

| Particulars | Period / Year | | | |
|----------------------------------|---------------|-------------|-------------|---------------------------------|
| | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month ended June 30, 2021 |
| PSA | 6,518 | 5,070 | 5,070 | 5,070 |
| SCE | 24,142 | 25,590 | 25,590 | 25,590 |
| Actual Production (in MT) | | | | |
| PSA | 6,203 | 4,967 | 1,446 | 455 |
| SCE | 23,843 | 24,681 | 7,697 | 1,204 |
| Capacity Utilisation (%) | | | | |
| PSA | 95.17% | 97.96% | 28.53% | 35.89% |
| SCE | 98.76% | 96.45% | 30.08% | 18.83% |

*As certified by IAAAN Consultantss by way of certificate dated November 12, 2021.

Note: The installed capacity mentioned hereinabove are interchangeable used for manufacturing SCE and PSA products. Any of the installed capacities can be used for producing any product and is fungible in this regard.

For the three months period ended June 30, 2021, the installed capacity is provided on annualized basis, however the actual production is provided for three months period ended June 30, 2021. Accordingly, the capacity utilization percentage has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.

Textile auxiliaries and synthetic adhesives have combined capacity and accordingly, aforesaid table includes combined production of textile auxiliaries and synthetic adhesives

Daman Unit III

(in MT, except percentages)*

| Particulars | Period / Year | | | |
|-----------------------------------|---------------|-------------|-------------|---------------------------------|
| | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month ended June 30, 2021 |
| Installed Capacity (in MT) | | | | |
| PSA | 20,500 | 20,500 | 20,500 | 20,500 |
| SCE | 500 | 500 | 500 | 500 |
| Actual Production (in MT) | | | | |
| PSA | 20,311 | 12,266 | 19,214 | 4,756 |
| SCE | 123 | - | 363 | 1 |
| Capacity Utilisation (%) | | | | |
| PSA | 99.08% | 59.83% | 93.73% | 92.80% |
| SCE | 24.66% | 0.00% | 72.57% | 0.88% |

*As certified by IAAAN Consultantss by way of certificate dated November 12, 2021.

Note : The installed capacity mentioned hereinabove are interchangeable used for manufacturing SCE and PSA products.

For the three months period ended June 30, 2021, the installed capacity is provided on annualized basis, however the actual production is provided for three months period ended June 30, 2021. Accordingly, the capacity utilization percentage has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.

Vapi (Gujarat)

(in MT, except percentages)*

| Particulars | Period / Year | | | |
|-----------------------------------|---------------|-------------|-------------|---------------------------------|
| | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month ended June 30, 2021 |
| Installed Capacity (in MT) | | | | |
| PSA | 1,194 | 1,194 | 1,194 | 1,194 |
| SCE | 366 | 366 | 366 | 366 |
| Actual Production (in MT) | | | | |
| PSA | 721 | 778 | 756 | 192 |
| SCE | 160 | 183 | 121 | 14 |
| Capacity Utilisation (%) | | | | |
| PSA | 60.38% | 65.13% | 63.32% | 64.28% |
| SCE | 43.84% | 50.13% | 33.08% | 15.06% |

*As certified by IAAAN Consultantss by way of certificate dated November 12, 2021.

Note : The installed capacity mentioned hereinabove are used for manufacturing of pigment and emulsions, supplied to tape and paint industries respectively.

For the three months period ended June 30, 2021, the installed capacity is provided on annualized basis, however the actual production is provided for three months period ended June 30, 2021. Accordingly, the capacity utilization percentage has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.

Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu)

(in MT, except percentages)*

| Particulars | Period / Year | | | |
|---------------------------------|---------------|-------------|-------------|---------------------------------|
| | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month ended June 30, 2021 |
| Installed Capacity (MT) | | | | |
| PSA | 12,822 | 12,822 | 12,822 | 12,822 |
| SCE | 37,548 | 37,548 | 37,548 | 37,548 |
| Actual Production (MT) | | | | |
| PSA | 10,879 | 11,738 | 10,909 | 2,795 |
| SCE | 21,735 | 29,519 | 33,830 | 8,761 |
| Capacity Utilisation (%) | | | | |
| PSA | 84.85% | 91.55% | 85.08% | 87.19% |
| SCE | 57.89% | 78.62% | 90.10% | 93.33% |

*As certified by IAAAN Consultantss by way of certificate dated November 12, 2021.

Note: The production capacities mentioned hereinabove are interchangeable used for manufacturing SCE and PSA products. The capacities have been segregated on the basis of allocation of reactors to SCE and PSA for the purpose of calculation of installed capacities.

For the three months period ended June 30, 2021, the installed capacity is provided on annualized basis, however the actual production is provided for three months period ended June 30, 2021. Accordingly, the capacity utilization percentage has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.

Accordingly, our aggregate capacity utilisation of all our facilities is as follows:

(in MT, except percentages)*

| Particulars | Period / Year | | | |
|----------------------------------|-----------------|-----------------|-----------------|---------------------------------|
| | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month ended June 30, 2021 |
| Installed Capacity (MTPA) | | | | |
| PSA | 62,514 | 61,566 | 67,066 | 67,066 |
| SCE | 83,076 | 84,524 | 84,524 | 98,324 |
| Total | 1,45,590 | 1,46,090 | 1,51,590 | 1,65,390 |
| Actual Production (MTPA) | | | | |
| PSA | 54,853 | 47,719 | 49,576 | 12,491 |
| SCE | 59,900 | 68,903 | 56,752 | 13,903 |
| Total | 1,14,753 | 1,16,622 | 1,06,328 | 26,394 |
| Capacity Utilisation (%) | | | | |
| PSA | 87.75% | 77.51% | 73.92% | 74.50% |
| SCE | 72.10% | 81.52% | 67.14% | 56.56% |

Note: For the three months period ended June 30, 2021, the installed capacity is provided on annualized basis, however the actual production is provided for three months period ended June 30, 2021. Accordingly, the capacity utilization percentage has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.

Contract manufacturing

We outsource manufacturing of certain of our products to contract manufacturers; and also undertake contract manufacturing for a reputed player. Set out below are details of our contract manufacturing operations:

Outsourcing of manufacturing: We outsource manufacturing of certain of our products to contract manufacturers, which helps us to achieve economies of scale in our production process. With such outsourcing, we strive to ensure uninterrupted services

for our customers. Our contract manufacturers produce products as per our specifications. While we have quality controls in place, we do not have control over such manufacturers.

Contract manufacturing by us: We undertake contract manufacturing as per product specifications, and are currently undertaking the same for a reputed player. As part of our contract manufacturing operations, our customer provides us with the technical assistance, information required, and raw materials for the required products, which are manufactured by our Company based on purchase orders.

For details of our quality control systems, please see “*Quality Control*” on page 151.

Procurement of Raw Materials

The primary raw materials used in the manufacture of SCEs and PSAs are Butyl Acrylate Monomer, Styrene Monomer and Vinyl Acetate Monomer. In Fiscal 2019, 2020 and 2021 and in the three months period ended June 30, 2020, cost of goods sold represented 87.22%, 84.58%, 76.85% and 73.32%, respectively, of our revenue from operations.

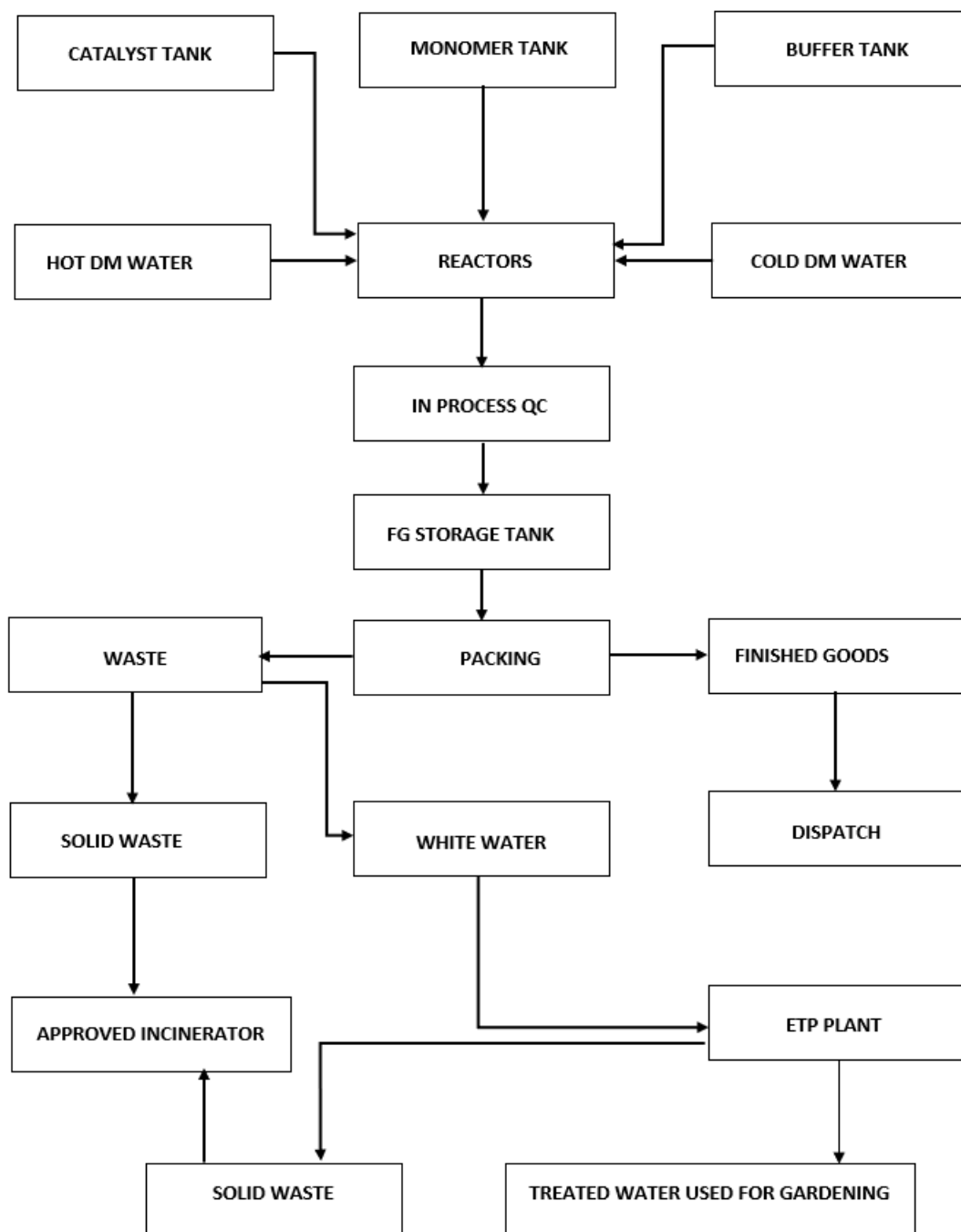
Primary raw materials are imported and sourced from various manufacturers and traders across the world. We have entered in to supply agreements with a few of the suppliers on an annual basis. We have made warehousing arrangement at various ports to store the imported raw materials procured in bulk quantities. The raw materials are transported from port to manufacturing locations as per requirement of production plants.

Raw materials are primarily transported to the manufacturing facilities by road. 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.

Raw materials sourced from the domestic market are directly purchased from manufacturers and traders and supplied to the respective manufacturing locations.

Manufacturing Process

The following illustrates the manufacturing process for SCEs and PSAs:



We operate a batch production process, and have the capability to produce several different grades of products in a single reactor. We believe this also enables better and consistent quality of output for every batch. The key raw materials for the production of SCE and PSA include amongst others, monomers, surfactants, acids, emulsifiers and catalysts, wherein (a) catalysts are used for activating the monomers and initiating the desired reactions, (b) acids are used for pH-adjustment, and (c) emulsifiers and surfactants are added to enhance the required properties of the final products. The time taken for each batch is typically 10 to 15 hours, and a production unit usually operates 2 batches in one reactor per day.

Inventory Management

Our finished products are stored on-site at our production facilities and at our three warehouses. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders. Our expected orders have historically been confirmed due to the stable long-standing relationships that we have with our direct customers and distributors.

Our raw material is generally procured in bulk consignments, and stored at custom bonded warehouses at ports.

We have made warehousing arrangement at various ports to store the imported raw materials procured in bulk quantity. The raw materials are transported from port to manufacturing locations as per requirement of production plans. We also have bulk storage tanks for direct off-loading of material from transport tankers using pumps.

Logistics

We transport raw materials and finished products primarily by road and sea. Packing materials are transported primarily by road. Generally, our suppliers directly deliver our raw materials, packing materials to our manufacturing facilities. The raw materials stored at ports (at third party warehouses) are dispatched to manufacturing locations, as per requirement of production plans. We outsource the delivery of our products to third-party logistics companies. We rely on freight forwarders to deliver our products from our manufacturing facilities to our depots and onwards to customers. We do not have long-term contractual relationships with our freight forwarders. The pricing for sea freight is negotiated and agreed on consignment basis.

We generally sell our products on a cost, insurance and freight basis (“**CI F**”), on a consignee basis, and on a door delivery 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. For exports, our freight forwarders co-ordinate with the shipping line to file and release the necessary bills of lading.

Brand Building and Marketing

As part of our marketing and brand building initiatives, we participate in various exhibitions and trade fairs.

Further, we circulate newsletters and bulletins to our existing and potential customers, which contains information about our products and their applications.

Information Technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and suppliers, and receivables from customers. We use an enterprise resource planning system which covers production, finance, sales, marketing logistics, purchase and inventory, across all our depots and manufacturing facilities.

The ERP system facilitates re-engineering various business processes and aligned various functions, thereby enhancing the productivity and performance of various departments. It ensures accurate results and has facilitated automating various business functions across our operations. A disaster recovery system is in place and data backup is done on a regular basis. We also use a document management system.

We use a client relationship management system to enhance our reach to our customer base. It provides a full suite of automation capabilities and provides the suitable marketing automation with the benefits of complete integration.

Competition

As per the F&S Report, over the last two decades, the worldwide coatings industry has become highly consolidated, with the top ten suppliers currently accounting for about half of the whole market. The Indian paints market is dominated by the decorative market contributing to ~74% of the total paints market. The organized market accounts for the top 10-12 players who make up for 77% of the decorative market share while the remaining 23% is made up of many small players. Larger players have their captive capacities for meeting ~75-80% of their requirements. They source high solid emulsions from players like Visen, BASF and Dow. For other requirements, they mostly utilize their captive capacities or outsource to players like our Company.

As per the F&S Report, the adhesives market is consolidated as the top 6 players account for majority of the market close to 46%. Henkel leads the acrylic PSA market followed by, H. B. Fuller, Huntsman, Dow, and Arkema (Bostik SA). Besides these, other prominent players in the market include Ashland, Franklin International, LG Chem, Soken Chemical & Engineering Co. and Tesa.

As per the F&S Report, our Company has no direct listed comparable peers, considering (i) our product profile, (ii) end customer industry, and (iii) size, and scale. Hence, Frost & Sullivan has identified select peers as comparable proxies, with similar product properties, end customer profile, export mix and scale. For further details, please refer to “*Industry Overview*” on page 99.

Quality Control

Our manufacturing facilities are ISO certified which include (i) BS OHSAS 18001: 2007; ISO 14001 : 2015; ISO 9001 : 2015 for Roorkee (Uttarakhand), (ii) ISO 9001 : 2015 for Daman (Dadra and Nagar Haveli and Daman and Diu), (iii) ISO 9001 : 2015; BS OHSAS 18001 : 2007; ISO 14001 : 2015 for Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), and (iv) ISO 9001 : 2015; ISO 14001 : 2015; BS OHSAS 18001 : 2007 for our R&D centre (Turbhe). Further, our manufacturing facility at Mundra (Gujarat) has received the ISO 9001:2015 certification from QFS Management Systems LLP, for manufacture and supply of SCEs and PSAs. For further details, please see “- *Manufacturing Facilities*” on page 143.

We test quality of raw materials we receive and finished products that we manufacture. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production and manufacturing processes, to inventory storage. Each of our manufacturing facilities has personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly.

Health and Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. For further information, see “*Key Regulations and Policies*” on page 154. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. 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, please see “*Risk Factors - There have been instances of non-compliance with certain environmental laws in the past and the terms and conditions of approvals issued under such laws in relation to our manufacturing units located at Daman (Daman Unit I and Daman Unit III). Any such failure to comply with environmental laws and/or the terms and conditions of approvals issued under such environmental laws and regulations could subject us to penalties and other regulatory actions, impact our ability to obtain or renew such approvals in a timely manner/ at all and may also adversely affect our ability to operate our units at Daman and consequently affect our results of operations*” on page 28.

For further information, see “*Government and Other Approvals*” beginning on page 277.

Insurance

We have purchased insurance in order to manage the risk of losses from potentially harmful events, including: (i) insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods), vehicles; (ii) directors’ and officers’ liability insurance policy; (iii) workmen compensation policy; (iv) personal accident and medi-claim policy of employees; (v) public liability policy; and (v) policy covering damage to stocks at various ports. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers all our manufacturing facilities, stocks at port depots, offices and our R&D center.

We also maintain a marine cargo insurance policy that insures consignments of goods by sea, air and road until delivery to the warehouse at port to inland movement of bulk cargo in road tankers to manufacturing unit / warehouse and subsequent supply of finished goods to customer’s warehouse. We also maintain credit insurance policies for our exports as well as domestic receivables. We do not have product liability insurance to protect us against claims in relation to the products we supply to our customers, and any liability incurred pursuant to such claims is required to be funded by the Company. For further details, please see “*Risk Factors - Our insurance coverage may not be sufficient or adequate to protect us against all material hazards or business losses, which may adversely affect our business, results of operations and financial condition*” and “*Risk Factors - We are susceptible to potential product liability claims that may not be covered by insurance, which may require substantial expenditure and may adversely affect our reputation and if successful, could require us to pay substantial sums*” each on page 37.

Employees

As of June 30, 2021, we had an employee base of 601 full time employees. The following table sets forth a breakdown of our employees by function as of June 30, 2021:

| Function | Number of employees |
|-------------------|---------------------|
| Sales & Marketing | 54 |
| Manufacturing | 431 |
| R&D | 27 |

| Function | Number of employees |
|-------------------------|---------------------|
| Finance | 27 |
| Supply Chain Management | 30 |
| Others | 32 |
| Total | 601 |

In addition, we contract with third-party manpower and services firms for the supply of contract labour for certain services at our manufacturing and other facilities. We engage contractors to perform loading/unloading of goods and/or shifting of materials at our premises. In consideration of the jobs so performed/executed by the contractor, we pay the contractor at the rate agreed with the contractor in connection with the job that we assign to them. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors.

For further details of attrition, please see “*Risk Factors - Our management team and human resources are critical to our continued success and the loss of such personnel could adversely affect our business.*” on page 42.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, we have 19 registered trademarks across Classes 1, 16, 99, 41, 8, and 2, including for our brands “Bondex®”, “Rdymix®”, “Coviguard®”, “Bondacrylic®”, “INDTAPE®”, and “Blue Glue®”, in India and USA.



Further, our Company has applied for 43 new trademarks in India. Further, our Subsidiary, Jesons Techno Polymers LLP has applied for 4 new trademarks in India.

For further details, please see “*Risk Factors - Our intellectual property rights may not be adequately protected against third party infringement*” on page 42.

We have applied for registration of two patents in India for RDP and its preparation process, and a long acting biocidal composition and its preparation process. The applications are currently under review and pending grant.

For further details please see “*Government and Other Approvals*” on page 277.

Corporate Social Responsibility

As part of our CSR initiatives and in terms of our CSR Policy, we engage in rural transformation, healthcare, education, environment protection, and disaster response.

We have, in the past, contributed towards the Prime Minister National Relief Fund, PM Cares Fund, and education institutions such as Sreeyash Pratishthan, to provide education to students.

Our CSR expenditure aggregated to ₹6.08 million, ₹7.74 million, ₹7.86 million and ₹0.14 million in Fiscal 2019, 2020, 2021 and the three months period ended June 30, 2021, respectively.

Property

Our Registered and Corporate Office is located at 904, Peninsula Tower No.1, Ganpat Rao Kadam Marg, Lower Parel (West), Mumbai, Maharashtra 400013 India, and is owned by us.

The parcels of land on which our six manufacturing facilities are located, having a combined area of approximately 82,376 sq. mtrs, are either owned or leased by us. Out of the six manufacturing units we own three manufacturing units and three are leased by us.

Details of the land on which our manufacturing facilities are located are set forth in the table below.

| Manufacturing facility | Address | Owned / leased / leave and license | Expiry date for lease / license |
|-------------------------------|---|---|--|
| Daman Unit -I | Survey No. 377/1/7A-7B, Behind Stone Quarry, Zari Causeway Road, Kachigam, Daman, Dadra Nagar Haveli & Daman Diu - 396210 | Owned | N.A |
| Daman Unit - III | Survey No. 377/1/16A, Behind Stone Quarry, Zari Causeway Road, Kachigam, Daman, Dadra Nagar Haveli & Daman Diu - 396210 | Owned | N.A |
| Roorkee | Plot No.29A & 29B, KIE Industrial Estate, Village-Mundiyaki, Paragana-Manglore, Tehsil- Roorkee, District- Haridwar, Uttarakhand - 247656 | Owned | N.A |
| Chennai | Survey No. 32/2, Plot No A-4/2 Part B, SIPCOT , Industrial Park, Thervoy Kandigai, Gummidipundi, Thiruvallur, Tamil Nadu – 601202 | Leased | September 7, 2113 |
| Vapi | Plot No. A2, 5007/1, IV-Phase, G.I.D.C. Vapi, Valsad, Gujarat - 396195 | Leave and license | March 31, 2023 |
| Mundra | Plot No-4A, Block-F Sect.12N, Adani Ports & SEZ Ltd, East Of Adani Wilmar, Taluka Mundra, Kutch, Gujarat - 370421 | Leased | December 10, 2049 |

KEY REGULATIONS AND POLICIES

The following is an overview of the certain sector specific Indian laws and regulations which are relevant 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 section 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 set out below is not exhaustive and is only intended to provide general information and is 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, see “Government and Other Approvals” beginning on page 277. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Shops and Establishments Legislations

Under the provisions of 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 employees. Our offices and warehouses have to be registered under the shops and establishments legislations of the states where they are located.

The Indian Boilers Act, 1923 (“Boilers Act”) and the Indian Boiler Regulations, 1950 (“Boiler Regulations”)

The Boilers Act seeks to regulate, inter alia, the manufacture, possession and use of boilers. In terms of the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by an inspector appointed by the relevant State Government. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings.

The Public Liability Insurance Act, 1991 (“PLI Act”) 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.

Legal Metrology Act, 2009 (the “Legal Metrology Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011

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 for matters connected therewith or incidental thereto. The Legal Metrology Act governs the standards/units/denominations used for weights and measures. It also states that any transaction/contract relating to goods shall be as per the weight/measurement prescribed by the Legal Metrology Act. Such weights and measures are required to be verified and re-verified periodically before usage through government approved test centres. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Any non-compliance or violation under the Legal Metrology Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Legal Metrology (Packaged Commodities) Rules, 2011 (the “**Packaged Commodities Rules**”) were framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lay down specific provisions applicable to packages intended for retail sale, wholesale and for export and import. A “pre-packaged commodity” means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules provide that it is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed. Further, all pre-packaged commodities must conform to the declarations provided thereon as per the requirement of Section 18(1) of the Legal Metrology Act and no pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules. The Packaged Commodity Rules were amended in

the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual maximum retail price and bringing e-commerce within the ambit of these rules.

Consumer Protection Act, 2019 (the “Consumer Protection Act”)

The Consumer Protection Act was enacted to provide a simpler and quicker access to redress consumer grievances, including in course of both online and offline transactions. It seeks to promote and protect the interest of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers and traders. It establishes consumer disputes redressal commissions at the district, state and national levels and a central consumer protection authority, with wide powers of enforcement, to regulate matters relating to violation of consumer rights, unfair trade practices and misleading advertisements. The consumer protection authority has the ability to inquire into violations of consumer rights, investigate and launch prosecution at the appropriate forum, pass orders to recall goods, impose penalties and issue safety notices to consumers against unsafe goods. It also introduces product liability, which can hold the product seller liable for compensation claims.

Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016, has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act establishes Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. Further, the BIS Act also provides for repair or recall, including product liability of the products bearing a standard mark but not conforming to the relevant Indian Standard.

Intellectual Property Laws

Certain laws relating to intellectual property rights applicable to us are as follows:

The Copyright Act, 1957 (the “**Copyright 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 Copyright Act acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the process for making an application and obtaining registration of trade marks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label, heading, etc. and to obtain relief in case of infringement of such marks for commercial purposes. The Trade Marks Act prohibits registration of deceptively similar trade marks and provides for penalties for infringement, falsifying and falsely for applying trade marks.

The Indian Patents Act, 1970 (the “**Patent Act**”) governs patents in India. A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

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.

FTA read with the Indian Foreign Trade Policy 2015 – 2020 (extended up to March 31, 2022) provides that no export or import can be made by a company without an importer-exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign

Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Foreign Investment Laws

Foreign investment in India is governed by the provisions of the FEMA along with the rules, regulations and notifications made by the Reserve Bank of India, including the FEMA Rules, as amended thereunder, and the consolidated FDI Policy (“**FDI Policy**”) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“**DPIIT**”, *earlier known as Department of Industrial Policy and Promotion*). The FDI Policy consolidates all the press notes, press releases, and clarifications on FDI issued by DPIIT. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route. Currently 100% FDI is allowed under the automatic route for companies engaged in the manufacturing sector.

Environmental laws

The Environment (Protection) Act, 1986 (“EPA”), Environment Protection Rules, 1986 (the “EP Rules”) and the Environmental Impact Assessment Notification, 2006 (“EIA Notification”)

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations.

Further, the EP Rules specifies, inter alia, the standards for emission or discharge of environmental pollutants, restrictions on the location of industries and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. 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 Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (“Chemical Accidents Rules”)

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents, by inter alia, setting up a central crisis group and a crisis alert system. The functions of the central crisis group inter alia include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans

The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (“HCR Rules”)

The HCR Rules are formulated under the EPA. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and 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.

Other Indian laws

In addition to the above, we are also governed by taxation and labour related 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.

A wide variety of labour laws are also applicable to our Company and our Subsidiary, including the Contract Labour (Regulation and Abolition) Act, 1970, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Employees’ State Insurance Act, 1948, the Industrial Disputes Act, 1947 and the Industrial Disputes (Central) Rules, 1957, the Maternity Benefit Act, 1961, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936, the Equal Remuneration Act, 1976 and the the Workmen’s Compensation Act, 1923, the Industrial Employment (Standing Orders) Act, 1946, the Apprentices Act, 1961 and the Child Labour (Prohibition Regulation) Act, 1986 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013 and the Factories Act, 1948.

The Government of India has enacted the Code on Wages, 2019, which received the assent of the President of India on August 8, 2019. The provisions are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Separately, the Government of India enacted the Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate 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. Further, the Government of India has enacted the Industrial Relations Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Further, the Government of India has enacted the Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 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.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated October 12, 1999, issued by the RoC, and subsequently received a certificate for commencement of business from the RoC dated December 27, 1999.

Change in the Registered Office

Except as stated below, there has been no change in the registered office of our Company since incorporation:

| Effective Date | Details of change | Reason for change |
|------------------|---|--|
| December 8, 2004 | The registered office of our Company was changed from 302, Jyoti Estate, 14, Anand Nagar, Andheri (East), Mumbai 400 069 to Peninsula Corporate Park, 904, Tower No.1, Ganpat Rao Kadam Marg, Lower Parel (West), Mumbai 400 013. | To carry on business and control affairs of our Company from a bigger office space |

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. *To carry on the business of manufacturers, importers, exporters, buyers, sellers, distributors, dealers in coating emulsions for paints, textiles, paper, leather, plastics, construction chemicals, synthetic dry gum sticks and synthetic fluid gum, adhesive for various applications, instant stickers, synthetic natural rubber paints and dye- wares.*
2. *To carry on the business of manufacturers of and dealers in chemicals, chemical compounds (Organic and inorganic) in all forms and chemical products of any nature and any kind whatsoever and all by products thereof.*

Amendments to our Memorandum of Association in the last 10 years

Except as stated below, there have been no amendments to our Memorandum of Association in the last 10 years preceding the date of this Draft Red Herring Prospectus:

| Date of change/ shareholders' resolution | Nature of amendment |
|--|---|
| August 20, 2021 | Amendment to Clause III (B) and III (C), the 'other objects' clause of our MoA to insert a new clause III (B) |
| August 20, 2021 | Amendment to Clause (IIIA) 1, the 'main objects' clause of our MoA to replace and insert a new clause III (A) and amendment in clause III (B), Clause IV and Clause V. |
| August 20, 2021 | Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 15,00,00,000, divided into 15,00,000 equity shares of ₹ 100 each to ₹ 40,00,00,000, divided into 8,00,00,000 equity shares of ₹ 5 each. |

Major events and milestones

The table below sets forth some of the major events and milestones in the history of our Company:

| Calendar Year | Event /milestone |
|---------------|--|
| 2000 | Commenced manufacturing operations at Daman |
| 2008 | License received to commence manufacturing operations at Roorkee, Uttarakhand |
| 2008 | Acquired Jesons Corporation pursuant to a Slump Sale Agreement dated March 1, 2008 |
| 2016 | Received consent to operate to commence manufacturing operations at Gummidipoondi, Tamil Nadu |
| 2017 | Established marketing JV with Dura Chemicals INC, USA for marketing of Company's products in USA markets |
| 2020 | Commenced manufacturing operations at export- oriented facility at APSEZ, Mundra |
| 2021 | Achieved consolidated revenue from operations exceeding ₹ 10,000 million as at and for Fiscal 2021 |

Key awards, accreditations or recognitions

The table below sets forth some of the awards, accreditation or recognitions received by our Company:

| Calendar Year | Award / Accreditation |
|---------------|---|
| 2013 | Ministry of Science and Technology- Development of Scientific and Industrial Research accorded recognition to in-house R&D unit(s) at Turbhe, Navi Mumbai, till March 31, 2015. |
| 2015 | Awarded with certificate of recognition as Two Star Export House by DGFT |

| Calendar Year | Award / Accreditation |
|---------------|---|
| 2019 | Accredited with ISO 14001: 2015 by TUV NORD CERT GmbH |
| 2019 | Accredited with ISO 9001: 2015 by TUV NORD CERT GmbH |
| 2019 | Accredited with BS OHSAS 18001: 2007/ ISO 45001: 20018 by TUV NORD CERT GmbH |
| 2020 | Accredited with Responsible Care by Indian Chemical Council |
| 2020 | Certified with Tier- 2 Authorized Economic Operator by Directorate of International Customs |

Time and cost overrun in setting up projects by our Company

Our Company has not experienced any time or cost overruns in relation to any projects, including our manufacturing units, since incorporation.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Our Company had defaulted in repayment of term loan in 2009, availed from Central Bank of India in 2007, owing to losses and working capital issues, pursuant to which the Central Bank of India issued a revised sanction letter dated July 8, 2009, restructuring the repayment on certain terms and conditions mentioned. The Central Bank of India vide its letter dated July 8, 2014, allowed our Company to satisfy the charge amounting to ₹153 million to which it had no objection. Subsequently, this loan was repaid on July 8, 2014 and there is no outstanding amount under this facility as on the date of this DRHP. For details, see *“Risk Factors – We have incurred significant indebtedness and our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry”* on page 38.

Mergers, demergers or amalgamation

Our Company has not undertaken any merger, demerger or amalgamation in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Details regarding material acquisitions or divestments of business/undertakings, and any revaluation of assets in the last 10 years

Except for the LLP agreement entered into on October 15, 2019 to form Jesons Techno Polymers LLP and subsequent increase in our stake in Jesons Techno Polymers LLP to 99% pursuant to Supplementary Agreement dated April 1, 2021 and Operating Agreement entered into with Dura Chemicals Inc on December 5, 2017 to form Dura-Jesons LLC, our Company has not acquired any material business or undertaken any divestments of business or undertaking or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Lock-out and strikes

There have been no instances of strikes or lock-outs at any time in our Company.

Launch of key products or services, entry into new geographies or exit from existing markets

For further details in relation to launch of key products by our Company, entry in new geographies or exit from existing markets, see *“Our Business”* on page 131.

For further details in relation to capacity/facility creation, location of plants, launch of key products or services, entry in new geographies or exit from existing markets, see *“Our Business”* on page 131.

Significant financial and/or strategic partners

Our Company does not have any significant financial and / or strategic partners as of the date of this Draft Red Herring Prospectus.

Details of shareholders’ agreements

As on the date of this Draft Red Herring Prospectus our Company does not have any subsisting shareholders’ agreements among our Shareholders *vis-a-vis* our Company.

Other agreements

Except as disclosed below, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business:

Limited Liability Company Operating Agreement dated December 1, 2017 (“LLC Operating Agreement”) between our Company and Dura Chemicals, Inc. (“Dura”) (Collectively referred to as “Members”)

Our Company and Dura, a Delaware corporation, have formed a Limited Liability Company, Dura- Jesons, L.L.C (“LLC”) under the California Revised Uniform Limited Liability Company Act and other relevant laws of the State of California, United States of America, pursuant to the LLC Operating Agreement.

Dura-Jesons is a sales, marketing and product development vehicle established to further expand interests in specified markets and execute the business objects relating to branding and customer operations. In accordance with the terms of the LLC Operating Agreement, our Company is required to make a capital contribution of \$ 0.05 million (₹ 3.25 million) and is issued 490 membership interest units of Dura-Jesons and Dura is required to make a capital contribution of \$ 0.05 million (₹ 3.25 million) and is issued 510 membership interest units of Dura-Jesons. The profit is shared equally between our Company and Dura.

Additionally, in case a Member wishes to sell, assign or otherwise dispose all or any part of his interest in the LLC, he can do so by making a written offer to sell such interest to other members at a price determined by mutual agreement. The Members have then entered into a non-disclosure agreement dated January 20, 2017 which specifically prohibits the Members from using Confidential Information for any purpose other than Business Purpose, each as defined in the non-disclosure agreement.

Limited Liability Partner Agreement dated October 15, 2019 (“LLP Agreement”) between our Company and Mr. Dhires Shashikant Gosalia (jointly referred to as “Parties”) to form Jesons Techno Polymers LLP (“JTPLL”), Amendment to LLP Agreement dated March 30, 2020 (“Amendment Agreement”) between our Company and Mr. Dhires Shashikant Gosalia (jointly referred to as “Parties”), Supplementary Limited Liability Partnership Agreement dated March 30, 2021 (“Supplementary Agreement No. 1”) between our Company and Mr. Dhires Shashikant Gosalia (jointly referred to as “Parties”), Supplementary Limited Liability Agreement dated April 1, 2021 (“Supplementary Agreement No. 2”) between our Company and Mr. Dhires Shashikant Gosalia (collectively referred to as “Continuing Partners”) and Supplementary Agreement dated September 30, 2021 (“Supplementary Agreement No. 3”) between our Company and Mr. Dhires Shashikant Gosalia (collectively referred to as “Continuing Partner”).

Our Company has entered into an LLP Agreement dated October 15, 2019 with Mr. Dhires Gosalia. In terms of this LLP Agreement the Parties have mutually agreed to carry out the business of manufacturing, importing, exporting and supplying synthetic adhesives, vinyl acetate and acrylic emulsions and to carry or any other activity in any manner as may be decided by the Parties holding majority stake in partnership contribution.

Pursuant to terms of this LLP Agreement, Mr. Raju Vinod Palvia and Mr. Dhires Shashikant Gosalia are initial designated partners of JTPLL with Mr. Raju Vinod Palvia being the designated partner as the authorised representative on behalf of our Company. JTPLL would indemnify and defend its designated partners against any and all liability in connection with any claims, actions and proceedings, regardless of the outcome except in terms of gross negligence or wilful misconduct by any of its designated partners. Further, the capital contribution of our Company and Mr. Dhires Shashikant Gosalia towards JTPLL is ₹ 10 million in the ratio of 51% and 49% respectively and the profits and losses were to be shared in the proportion of their respective contribution.

Additionally, neither of the designated partners shall indemnify the other partner(s) or JTPLL or any of its officers or directors for any loss, claim or damage. However, any indemnification under the LLP Agreement is required to be promptly notified to the other designated partner in writing for any loss, claim or damage.

Further, no part of the LLP Agreement shall be deemed to have been waived by any of the partners or any other person unless submitted in writing by the partner or any such person seeking waiver subject to unanimous consent of the remaining partners.

On March 30, 2020, our Company has entered into an Amendment Agreement with Mr. Dhires Shashikant Gosalia. In terms of this Amendment Agreement, our Company has been authorised of being a controller partner holding 85% of the capital of JTPLL thereby giving it the primary right to appoint, remove or change the managing partner and have the right to appoint a new partner whether nominated by the managing partner or not.

Further, the capital contribution of our Company and Mr. Dhires Shashikant Gosalia towards JTPLL is ₹ 191.25 million and ₹ 33.75 million, respectively, making the total capital contribution as ₹ 220.50 million, in the ratio of 85% and 15% respectively. The profits and losses were shared equally wherein our Company and Mr. Dhires Shashikant Gosalia were entitled to 50%

each. Additionally, no part of the Amendment Agreement shall be deemed to have been waived by any of the partners or any other person unless submitted in writing by the partner or any such person seeking waiver subject to unanimous consent of the remaining partners.

On March 30, 2021, our Company and Mr. Dhires Shashikant Gosalia entered into a Supplementary Agreement, wherein the Parties have further contributed ₹ 340 million and ₹ 60 million as capital contribution, respectively making the total capital contribution as ₹ 400 million, in the ratio of 85% and 15%, respectively.

Additionally, the Supplementary Agreement No. 1 is bound by the terms as set out in the Amendment Agreement dated March 30, 2020. The profits and losses again were shared equally wherein our Company and Mr. Dhires Shashikant Gosalia were entitled to 50% each.

Our Company, on April 1, 2021, entered into a Supplementary Agreement No. 2 with Mr. Dhires Shashikant Gosalia. In terms of this Supplementary Agreement No. 2, this Agreement shall be supplemental to the LLP Agreement dated October 15, 2019, Amendment Agreement dated March 30, 2020 and Supplementary Agreement dated March 30, 2021. The Continuing Partners have contributed ₹ 396 million and ₹ 4 million respectively, making the capital contribution as ₹ 400 million in the ratio of 99% and 1%, respectively.

Pursuant to their change in contribution, the Continuing Partners are allowed an interest free time period of six months for withdrawing or contributing any surplus or shortfall in partners' current or capital account. Further, the Continuing Partners are entitled to share the net profits or losses after providing remuneration to the working partner(s), thereby sharing profits in the ratio of 99% and 1% (or ₹0.1 million, whichever is lower), respectively. Accordingly, the profit sharing ratio has been revised from 50% each to a ratio of 99% and 1%.

Our Company, on September 30, 2021, entered into a Supplementary Agreement No. 3 with Mr. Dhires Shashikant Gosalia. In terms of this Supplementary Agreement, this Agreement is supplemental to the Amendment Agreement dated March 30, 2020, Supplementary Agreement No. 1 dated March 30, 2021 and Supplementary Agreement dated April 1, 2021. The Continuing Partners shall contribute ₹ 650 million wherein our Company contributes ₹ 643.5 million and Mr. Dhires Gosalia contributes ₹ 6.5 million in the ratio of 99% and 1% respectively. This Supplementary Agreement No. 3 shall be bound by the terms of the other Agreements.

Business Support Service Agreement entered dated March 19, 2020 (“Support Agreement”) between our Company and Jesons Techno Polymers LLP.

Our Company has entered into a Support Agreement dated March 19, 2020 with Jesons Techno Polymers LLP (“JTP LLP”), our subsidiary. In terms of the Support Agreement, JTP LLP approached our Company for providing business support service's including manpower services and other services to JTP LLP including license fee, intangible technologies, software, etc for a remuneration basis the conditions agreed upon.

Pursuant to the terms of the Support Agreement, JTP LLP would not be liable or be held responsible for any claims, charges, demands made or raised under the Labour Laws or by the personnel concerning our Company. Either JTP LLP or our Company shall not assign or transfer its rights or obligations without the consent of the other. Further, the terms and provisions of this Support Agreement are intended to survive.

Additionally, our Company and JTP LLP shall maintain confidential the proprietary, information made available. Dissemination of such proprietary information shall be restricted to officers, employees of our Company and JTP LLP on a need to know basis only.

Inter-se Agreements between Shareholders

As on the date of this Draft Red Herring Prospectus, our Company, Promoter and shareholders do not have any inter-se agreements/ arrangements and clauses / covenants which are material in nature and that there are no clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders. There are no other agreements, deed of assignments, acquisition agreements, Shareholders' Agreement, inter-se agreements, agreements of like nature other than disclosed in this Draft Red Herring Prospectus.

Guarantees given by our Promoter Selling Shareholder

Except as stated below, our Promoter Selling Shareholder has not provided guarantees to any third parties as on the date of this Draft Red Herring Prospectus. For further details, see “*Financial Indebtedness*” on page 267.

| Details of guarantee | Reason | Amount (in million) | Obligations as on our Company | Date of guarantee | Financial implications in case of default | Security available | Consideration |
|----------------------|--|---------------------|-------------------------------|-------------------|--|--------------------|---------------|
| Personal Guarantee | Working capital facilities availed by our Company | ₹ 3,900.00 million | N.A | July 27, 2021 | The guarantee will be invoked by Catalyst Trusteeship Limited as a security trustee under multiple banking arrangement | Nil | Nil |
| Personal Guarantee | Working Capital Facilities availed by Jesons Techno Polymers LLP | ₹ 500.00 million | N.A | January 16, 2021 | The guarantee will be invoked by Axis Bank Limited | Nil | Nil |
| Personal Guarantee | Working Capital Facilities availed by Jesons Techno Polymers LLP | ₹ 450.00 million | N.A | February 5, 2021 | The guarantee will be invoked by HDFC Bank Limited | Nil | Nil |
| Personal Guarantee | Term loan availed by Jesons Techno Polymers LLP | ₹ 350.00 million | N.A | May 20, 2020 | The guarantee will be invoked by HDFC Bank Limited | Nil | Nil |
| Personal Guarantee | Term loan availed by Jesons Techno Polymers LLP | ₹ 72.00 million | N.A | January 22, 2021 | The guarantee will be invoked by HDFC Bank Limited | Nil | Nil |

Other confirmations

Neither our Promoter nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Our holding company

Our Company does not have a holding company.

Our subsidiaries, associate companies and joint ventures

As on the date of this Draft Red Herring Prospectus, except for Dura – Jesons LLC, our Company has no other associate or joint venture. For details, see “*Our Subsidiaries and Associate Company*” on page 163.

OUR SUBSIDIARIES AND ASSOCIATE COMPANY

As on the date of this Draft Red Herring Prospectus, our Company has two subsidiaries, being Jesons Innovative Polymers Private Limited and Jesons Techno Polymers LLP and one associate company, Dura-Jesons LLC.

Our Subsidiaries

1. Jesons Innovative Polymers Private Limited (“JIPPL”)

Corporate Information

JIPPL was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated October 24, 2019, issued by the RoC. Its corporate identification number is U24290MH2019PTC332142. Its registered office is situated at 904, Floor- 9, Peninsula Corporate Park, Ganpat Rao Kadam Marg, Lower Parel, Mumbai 400 013, Maharashtra, India

Nature of Business

JIPPL is engaged in the business of manufacturing, importing, exporting, supplying of synthetic adhesives, vinyl acetate and acrylic emulsions and to carry on the business of the manufacturer, importer, exporter, supplier of chemicals, chemical compounds (organic and inorganic) in all forms and chemical products of any nature and any kind whatsoever and all by products thereof.

Capital Structure

The details of the capital structure of JIPPL are as follows:

| Particulars | Aggregate Nominal Value (₹ in million) |
|---|--|
| Authorised share capital | |
| 1,000,000 equity shares of ₹ 100 each | 100.00 |
| Issued, subscribed and paid-up capital | |
| 750,000 equity shares of ₹ 100 each | 75.00 |

Shareholding Pattern

As of the date of this Draft Red Herring Prospectus, our Company holds 750,000 equity shares of JIPPL making it 100% of the shareholding in JIPPL

2. Jesons Techno Polymers LLP (“JTPLLP”)

Corporate Information

JTPLLP was incorporated under the section 12(1) of the Limited Liability Partnership Act, 2008 pursuant to a certificate of incorporation dated October 10, 2019, issued by the RoC. Its LLP identification number is AAQ-7711. Its registered office is situated at Plot No- 4A, Block- F, Sector 12N, Adani Ports, East of Adani Wilmar, above GCACPL – Credo, Mundra Kachchh, Gujarat 370 421, India.

Nature of Business

JTPLLP is engaged in the business of manufacturing, importing, exporting and supplying of synthetic adhesives, vinyl acetate, acrylic emulsions, chemicals, chemical compounds (organic and inorganic) in all forms and chemical products of any nature and any kind whatsoever and all by products thereof.

Capital Contribution

As of the date of this Draft Red Herring Prospectus, our Company contributed 99% of the capital of JTPLLP and Dhires Shashikant Gosalia contributed 1% of its capital.

Our Associate Company

Dura- Jesons LLC (“Dura-Jesons”)

Corporate Information

Dura-Jesons was incorporated as a Limited Liability Company under the California Revised Uniform Limited Liability Company Act. The registered office of Dura-Jesons is located at 2200 Powell, St., STE 450 Emeryville, CA 94608.

Nature of Business

Dura-Jesons is authorised by its memorandum of understanding to carry out sales, marketing and product vehicle of its members and is established to further their interests in specified markets.

Capital Structure

As of the date of this Draft Red Herring Prospectus, our Company is required to contribute \$ 0.05 million (₹ 3.25 million) to the capital of Dura-Jesons and Dura Chemicals Inc is required to contribute \$ 0.05 million (₹ 3.25 million) to its capital.

| Particulars | Percentage of capital contribution (%) |
|---------------------------|---|
| Jesons Industries Limited | 50 |
| Dura Chemicals Inc | 50 |
| Total | 100 |

Shareholding Pattern

As of the date of this Draft Red Herring Prospectus, our Company and Dura Chemicals Inc are required to contribute a capital of 50% each, holding membership interest of 49% (490 membership units) and 51% (510 membership units) respectively.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises six Directors, including three Executive Directors (including our Managing Director), and three Independent Directors. Two Directors (including one Independent Director) on our Board are women.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

| Sl. No. | Name, designation, address, occupation, date of birth, period of directorship, term and DIN | Age (years) | Directorships in other companies |
|---------|--|-------------|--|
| 1. | <p>Dhires Shashikant Gosalia</p> <p><i>Designation:</i> Chairman and Managing Director</p> <p><i>Address:</i> 131, 13th Floor, Spenta Tower, Gowalia Tank, 55-57, Forjett Street, Mumbai 400 036</p> <p><i>Occupation:</i> Business</p> <p><i>Date of birth:</i> January 6, 1962</p> <p><i>Period of directorship:</i> Director since October 12, 1999</p> <p><i>Term:</i> For a period of five years with effect from April 1, 2019</p> <p><i>DIN:</i> 00217158</p> | 59 | <ul style="list-style-type: none"> • Jesons Innovative Polymers Private Limited |
| 2. | <p>Madhavi Dhires Gosalia</p> <p><i>Designation:</i> Executive Director</p> <p><i>Address:</i> 131, 13th Floor, Spenta Tower, Gowalia Tank, 55-57, Forjett Street, Mumbai 400 036</p> <p><i>Occupation:</i> Business</p> <p><i>Date of birth:</i> June 27, 1963</p> <p><i>Period of directorship:</i> Director since January 18, 2019</p> <p><i>Term:</i> For a period of five years with effect from March 29, 2019.</p> <p><i>DIN:</i> 00217199</p> | 58 | Nil |
| 3. | <p>Raju Vinod Palvia</p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Address:</i> Shramadan, 209/11, 3rd Floor, Sion Matunga Road, opposite Sion Hospital, Sion East, Mumbai 400 022</p> <p><i>Occupation:</i> Business</p> <p><i>Date of birth:</i> March 12, 1961</p> | 60 | <ul style="list-style-type: none"> • Jesons Innovative Polymers Private Limited |

| Sl. No. | Name, designation, address, occupation, date of birth, period of directorship, term and DIN | Age (years) | Directorships in other companies |
|---------|---|-------------|--|
| | <p>Period of directorship: Director since April 1, 2013</p> <p>Term: For a period of five years with effect from April 1, 2019</p> <p>DIN: 06538252</p> | | |
| 4. | <p>Shreyas Mahendra Patel</p> <p>Designation: Independent Director</p> <p>Address: 12, Mount Unique, 62-A, Peddar Road, Mumbai - 400 026</p> <p>Occupation: Business</p> <p>Date of birth: March 28, 1969</p> <p>Period of directorship: Director since August 28, 2014</p> <p>Term: For a period of five years with effect from April 1, 2019 and not liable to retire by rotation</p> <p>DIN: 00112370</p> | 52 | <ul style="list-style-type: none"> • Wodehouse Gymkhana Limited |
| 5. | <p>Amitabh Verma</p> <p>Designation: Independent Director</p> <p>Address: 404-A, Dosti Florentine, Dosti Acres, S.M. Road, Antop Hill bus depot, Wadala (East), Mumbai - 400 037</p> <p>Occupation: Service</p> <p>Date of birth: December 25, 1973</p> <p>Period of directorship: Director since September 30, 2021</p> <p>Term: For a period of five years with effect from September 30, 2021 up to September 29, 2026 and not liable to retire by rotation</p> <p>DIN: 07082285</p> | 47 | <ul style="list-style-type: none"> • Fission Wealth Private Limited • Superlative Talent Media Private Limited |
| 6. | <p>Deeti Ojha</p> <p>Designation: Independent Director</p> <p>Address: S, 227, Second Floor, Greater Kailash Part 2, Delhi – 110 048</p> <p>Occupation: Advocate</p> <p>Date of birth: May 24, 1984</p> <p>Period of directorship: Director since September 30, 2021</p> | 37 | Nil |

| Sl. No. | Name, designation, address, occupation, date of birth, period of directorship, term and DIN | Age (years) | Directorships in other companies |
|---------|--|-------------|----------------------------------|
| | <p><i>Term:</i> For a period of five years with effect from September 30, 2021 up to September 29, 2026 and not liable to retire by rotation</p> <p><i>DIN:</i> 09322280</p> | | |

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our current Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Brief Biographies of Directors

Dhires Shashikant Gosalia is the Managing Director on our Board. He holds a bachelor's degree in science from Jai Hind College, University of Bombay and a diploma in business management from the K.C. College of Management Studies, Mumbai. He has attended the Owner/President Management Program at the Harvard Graduate School of Business. He has participated in the Small and Medium Enterprises Programme held at the Indian Institute of Management, Ahmedabad and in the Building the Business: Strategies for Asia Pacific Programme organised in Singapore by INSEAD. He has around three decades of experience in the SCE and PSA industry, which enables him to understand the complex chemistry involved. He is the Promoter of our Company and has been associated with our Company as a director since October 12, 1999.

Madhavi Dhires Gosalia is the Executive Director on our Board. She holds a master's degree of arts in philosophy from Jai Hind College, University of Bombay. She has been associated with our Company as a director since January 18, 2019. She was also a director of our Company from October 12, 1999 to April 1, 2013. She has over ten years of experience in the field of human resource management and general administration.

Raju Vinod Palvia is the Whole-time Director on our Board. He holds a diploma in man-made textile chemistry from the Silk and Art Mills' Research Association, Maharashtra. He has been associated with us since 1999 and is also on the board of directors of our Subsidiary, Jesons Innovative Polymers Private Limited. He has over twenty years of experience in the chemicals industry. He has been associated with our Company as a Director since April 1, 2013.

Shreyas Mahendra Patel is the Independent Director on our Board. He holds a bachelor's degree in commerce from the H.R. College of Commerce and Economics, University of Bombay and a bachelor's degree in law from Government Law College, University of Bombay. He is an advocate, enrolled with the Bar Council of Maharashtra and Goa. He is also admitted as a Solicitor of the Supreme Court of England and Wales. He has been associated with our Company as an Independent Director since August 28, 2014.

Amitabh Verma is the Independent Director on our Board. He holds a bachelor's degree of technology in Mining Engineering from the Indian Institute of Technology, Kharagpur and a post-graduate diploma in management from the Indian Institute of Management Society, Lucknow. Prior to joining our Company, he was associated with DBS Bank Limited, Mumbai as ED and Head – IBG 3 and 4, in the institutional banking group. He has been associated with our Company as an Independent Director since September 30, 2021.

Deeti Ojha is the Independent Director on our Board. She holds a bachelor's degree in commerce and a bachelor's degree in law from the University of Delhi. She has been working with Unity Legal since 2009 and has regularly appeared before various courts and tribunals, including National Company Law Tribunals. She has been associated with our Company as an Independent Director since September 30, 2021.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was, during the last five years preceding the date of this Draft Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during their tenure as a director in such company.

Confirmations

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of Directors

1. Remuneration to Executive Directors:

Dhires Shashikant Gosalia

Dhires Shashikant Gosalia, was reappointed as our Chairman and Managing Director with effect from April 1, 2019 for a period of five years, pursuant to the resolution dated March 18, 2019 passed by the Board and the resolution dated March 29, 2019 passed by the Shareholders.

Pursuant to the service agreement dated March 29, 2019 with our Company, our Managing Director is entitled to such remuneration as may be decided by our Board at its own discretion, from time to time. Additionally, he is entitled to perquisites and allowances as evaluated under the income tax rules, where applicable. In the absence of such rules, perquisites shall be evaluated at actual cost. The perquisites and allowances, together with the basic salary, shall be subject to a maximum ceiling as may be decided by our Board from time to time, provided that the provision for use of our Company's car for official duties and telephone at residence hall shall not be included in the computation of perquisites for the purpose of calculating the said ceiling. He is entitled to performance bonus as approved by our Board from time to time.

As per the resolution of our Board dated August 2, 2021 and the resolution dated August 20, 2021 passed by the Shareholders, our Managing Director is entitled to remuneration (including salary, commission, benefits, perquisites and/or other allowances) of an amount not exceeding ₹ 100 million per annum, with effect from September 1, 2021 till the remaining tenure of his appointment, with the Board of Directors having the power to alter and vary the remuneration from time to time as it may deem appropriate, provided that such variation or alteration is within the overall limits specified. In the event of no profits or inadequacy of profits in any Financial Year during the term of the Managing Director, our Company shall pay him the minimum remuneration by way of salary, perquisites, and/or allowance, performance based rewards/incentives in compliance with Schedule V to the Companies Act or such other limits, as may be prescribed by the Central Government from time to time as to minimum remuneration and in compliance with provisions stipulated therein.

During Fiscal 2021, the total amount of compensation paid to him was ₹ 45.03 million, including perquisites.

Madhavi Dhires Gosalia

Madhavi Dhires Gosalia was appointed as an Executive Director with effect from March 29, 2019 for a period of five years, pursuant to the resolution dated March 18, 2019 passed by the Board and the resolution dated March 29, 2019 passed by the Shareholders.

Pursuant to the service agreement dated March 29, 2019 with our Company, our Executive Director is entitled to such remuneration as may be decided by our Board at its own discretion, from time to time. Additionally, she is entitled to perquisites and allowances as evaluated under the income tax rules, where applicable. In the absence of such rules, perquisites shall be evaluated at actual cost. The perquisites and allowances, together with the basic salary, shall be subject to a maximum ceiling as may be decided by our Board from time to time, provided that the provision for use of our Company's car for official duties and telephone at residence hall shall not be included in the computation of perquisites for the purpose of calculating the said ceiling. She is entitled to performance bonus as approved by our Board from time to time.

As per the resolution of our Board dated August 2, 2021 and the resolution dated August 20, 2021 passed by the Shareholders, our Executive Director is entitled to remuneration (including salary, commission, benefits, perquisites and/or other allowances) of an amount not exceeding ₹ 30 million per annum, with effect from September 1, 2021 till the remaining tenure of her appointment, with the Board of Directors having the power to alter and vary the remuneration from time to time as it may deem appropriate, provided that such variation or alteration is within the overall limits specified. In the event of no profits or inadequacy of profits in any Financial Year during the term of the Executive Director, our Company shall pay her the minimum remuneration by way of salary, perquisites, and/or allowance, performance based rewards/incentives in compliance with Schedule V to the Companies Act or such other limits, as may be prescribed by the Central Government from time to time as to minimum remuneration and in compliance with provisions stipulated therein.

During Fiscal 2021, the total amount of compensation paid to her was ₹ 8.43 million, including perquisites.

Raju Vinod Palvia

Raju Vinod Palvia was appointed as a Whole-time Director with effect from March 29, 2019 for a period of five years, pursuant to the resolution dated March 18, 2019 passed by the Board and the resolution dated March 29, 2019 passed by the Shareholders.

Pursuant to the service agreement dated March 29, 2019 with our Company, our Whole-time Director is entitled to such remuneration as may be decided by our Board at its own discretion, from time to time. Additionally, he is entitled to perquisites and allowances as evaluated under the income tax rules, where applicable. In the absence of such rules, perquisites shall be evaluated at actual cost. The perquisites and allowances, together with the basic salary, shall be subject to a maximum ceiling as may be decided by our Board from time to time, provided that the provision for use of our Company's car for official duties and telephone at residence hall shall not be included in the computation of perquisites for the purpose of calculating the said ceiling. He is entitled to performance bonus as approved by our Board from time to time.

As per the resolution of our Board dated August 2, 2021 and the resolution dated August 20, 2021 passed by the Shareholders, our Whole-time Director is entitled to remuneration (including salary, commission, benefits, perquisites and/or other allowances) of an amount not exceeding ₹ 30 million per annum, with effect from September 1, 2021 till the remaining tenure of his appointment, with the Board of Directors having the power to alter and vary the remuneration from time to time as it may deem appropriate, provided that such variation or alteration is within the overall limits specified: In the event of no profits or inadequacy of profits in any Financial Year during the term of the Whole-time Director, our Company shall pay him the minimum remuneration by way of salary, perquisites, and/or allowance, performance based rewards/incentives in compliance with Schedule V to the Companies Act or such other limits, as may be prescribed by the Central Government from time to time as to minimum remuneration and in compliance with provisions stipulated therein.

During Fiscal 2021, the total amount of compensation paid to him was ₹ 8.00 million, including perquisites.

2. Remuneration details of Independent Directors:

Pursuant to the Board resolution dated May 18, 2015, each Non-executive Director and Independent Director, is entitled to receive sitting fees of ₹ 2,000 per meeting for attending meetings of the Board or committees thereof, which shall not at any time exceed ₹ 0.10 million per meeting for attending meetings of the Board or committees thereof. Details of the remuneration paid to the Non- Executive Directors and Independent Directors of our Company for the Financial Year 2021 are as follows:

| Sl. No. | Name of Director | Sitting Fees (in ₹ million) |
|----------------|-------------------------|------------------------------------|
| 1. | Shreyas Mahendra Patel | 0.03 |
| 2. | Amitabh Verma | N.A* |
| 3. | Deeti Ojha | N.A* |

*Amitabh Verma and Deeti Ojha were appointed as Independent Directors on September 30, 2021. Accordingly, they were not paid any sitting fees in Financial Year 2021.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. The shareholding of the Directors in our Company as of the date of this Draft Red Herring Prospectus is set forth below:

| Name of Director | Number of Equity Shares held |
|---------------------------|-------------------------------------|
| Dhires Shashikant Gosalia | 46,387,200 |
| Madhavi Dhires Gosalia | 4,206,000 |

Interest of Directors

All Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "Our Management – Terms of appointment of our Directors - Remuneration to Executive Directors" on page 168.

Further, other than Dhires Shashikant Gosalia and Madhavi Dhires Gosalia (who was an initial subscriber to the Memorandum of Association of our Company), none of our Directors have any interest in the promotion or formation of our Company. The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Offer and which may be offered by them as part of the Offer for Sale. Our Directors may

also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, etc.

No loans have been availed by our Directors from our Company or the Subsidiaries.

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the Board in the last three years

Other than as stated below, there has been no change in the Board in the three preceding years:

| Name | Date of Change | Reason |
|------------------------|-----------------------|--|
| Madhavi Dhires Gosalia | January 18, 2019 | Appointment as Director* |
| Jyoti Himanshu Doshi | September 23, 2021 | Resignation as Independent Director owing to personal reasons and preoccupations |
| Alyza Nizar Sanghai | September 23, 2021 | Resignation as Independent Director owing to personal reasons and preoccupations |
| Amitabh Verma | September 30, 2021 | Appointment as Independent Director |
| Deeti Ojha | September 30, 2021 | Appointment as Independent Director |

* Subsequent appointment as Executive Director on March 29, 2019

Borrowing Powers of Board

In accordance with the Articles of Association and applicable provisions of the Companies Act, 2013, and pursuant to the special resolution dated September 29, 2014 passed by the Shareholders, the Board may borrow any sum or sums of money from time to time notwithstanding that the money to be borrowed, together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) including rupee equivalent of foreign currency loans may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided shall not any time exceed ten times the aggregate of the paid up capital and free reserves of our Company over and above the paid up capital and free reserves of our Company.

Remuneration paid or payable by our Subsidiaries or Associate to Directors

There is no remuneration paid or payable by our Subsidiaries or our Associate to our Directors during Fiscal Year 2021.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board and constitution of the Board committees, as required under law.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Amitabh Verma – Chairman
2. Dhires Shashikant Gosalia – Member
3. Shreyas Mahendra Patel – Member

The Audit Committee was constituted on August 28, 2014 and was last reconstituted on October 12, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations and its terms of reference are as follows:

- (a) oversight of our Company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) recommendation for appointment, re-appointment, replacement, remove, remuneration and terms of appointment of auditors of our Company and the fixation of the audit fee;
- (c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) review related party transactions entered into by our Company pursuant to the omnibus approvals given;
- (e) review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) matters required to be included in the director's responsibility statement to be included in the board of directors' report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) modified opinion(s) in the draft audit report.
- (f) review, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (g) review, 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;
- (h) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (i) approve of any subsequent modification transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company, subject to the conditions as may be prescribed
Explanation: The term "related party transactions" shall have the same meaning as provided in the Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013;
- (j) scrutinise inter-corporate loans and investments;
- (k) valuation of undertakings or assets of our Company, wherever it is necessary;
- (l) evaluate internal financial controls and risk management systems;
- (m) review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (n) review 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;
- (o) discuss with internal auditors of any significant findings and follow up there on;
- (p) review 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;
- (q) discuss 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;
- (r) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (s) to review the functioning of the whistle blower mechanism;
- (t) monitor the end use of funds raised through public offers and related matters;
- (u) approve the appointment of the Chief Financial Officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) of our Company after assessing the qualifications, experience and background, etc. of the candidate;
- (v) review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- (w) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on our Company and its shareholders; and
- (x) carry out any other function required to be carried out by the Audit Committee as contained in the Listing Regulations or any other applicable law, as and when amended from time to time."

The Audit Committee shall mandatorily review the following information:

- (a) management discussion and analysis of financial condition and results of operations;
- (b) statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of our Company;
- (c) management letters / letters of internal control weaknesses issued by the statutory auditors of our Company;

- (d) internal audit reports relating to internal control weaknesses;
- (e) appointment, removal and terms of remuneration of the chief internal auditor;
- (f) review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- (g) statement of deviations in terms of the Listing Regulations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.”

The powers of the Audit Committee shall include the following:

- (a) to investigate any activity within its terms of reference
- (b) to seek information from any employee of our Company;
- (c) to obtain outside legal or other professional advice; and
- (d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (e) such other powers as may be prescribed under the Companies Act and the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Shreyas Mahendra Patel – Chairman
2. Amitabh Verma – Member
3. Deeti Ojha - Member
4. Dhires Shashikant Gosalia – Member

The Nomination and Remuneration Committee was constituted on August 28, 2014, and was last reconstituted on October 12, 2021. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

- (a) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- (b) formulate the criteria for 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:
 - (i) use the services of external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, if any; and
 - (iii) consider the time commitments of the candidates.
- (c) formulate criteria for evaluation of independent directors and the Board;
- (d) devise a policy on Board diversity;
- (e) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors for their appointment and removal;
- (f) determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
- (g) recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;

the Nomination, Remuneration and Compensation Committee, while formulating the above policy, should ensure that –

 - (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company and its goals.
- (h) recommend to the Board, all remuneration, in whatever form, payable to senior management;
- (i) perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act or by the Listing Regulations or by any other applicable law or regulatory authority;
- (j) Formulate suitable policies, procedures and systems relating to the administration and superintendence of the ESOP plans of our Company;

- (k) carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the Listing Regulations or any other applicable law, as and when amended from time to time; and
- (l) to do all such acts, deeds and things in accordance with the nomination and remuneration policy of our Company as adopted by the Board from time to time.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Shreyas Mahendra Patel - Chairman
2. Madhavi Dhiresh Gosalia – Member
3. Amitabh Verma – Member

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on October 12, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act and the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

- (a) resolving the grievances of the security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- (b) review of measures taken for effective exercise of voting rights by shareholders;
- (c) review of adherence to the service standards adopted by our Company in respect of various services rendered by the registrar and share transfer agent;
- (d) review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company; and
- (e) carry out such other functions as may be specified by the Board from time to time or specified under the Companies Act or Listing Regulations, or by any other regulatory authority.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Madhavi Dhiresh Gosalia – Chairperson
2. Raju Vinod Palvia – Member
3. Deeti Ojha - Member

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on August 28, 2014 and was last reconstituted on October 12, 2021. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

- (a) formulate and recommend to the Board, a “Corporate Social Responsibility Policy” indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended;
- (b) formulate and recommend an annual action plan in pursuance of its corporate social responsibility policy which shall list the projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects;
- (c) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (d) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (f) recommend the amount of expenditure to be incurred on the corporate social responsibility activities, at least two percent of the average net profits of our Company made during the three immediately preceding financial years or where our Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its corporate social responsibility policy;
- (g) to monitor the corporate social responsibility policy and its implementation by our Company from time to time; and
- (h) to perform such other functions or responsibilities and 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, as amended and the rules made thereunder and the Board of Directors from time to time.

Risk Management Committee

The members of the Risk Management Committee are:

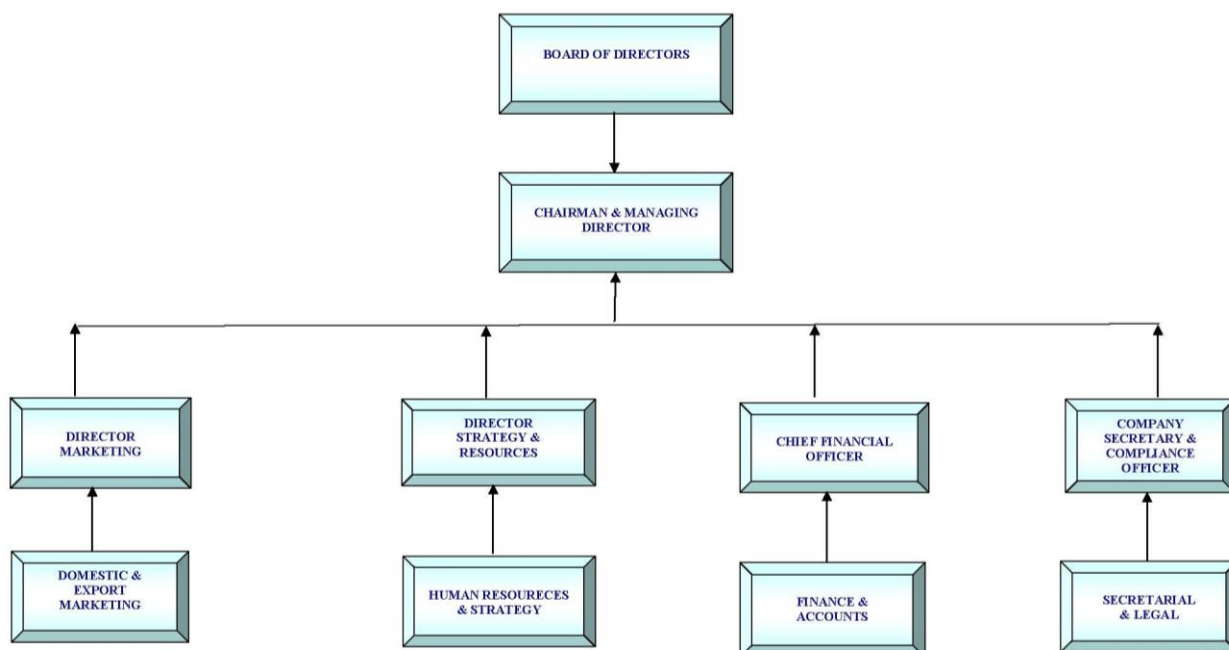
1. Dhires Shashikant Gosalia – Chairman
2. Shreyas Mahendra Patel - Member
3. Raju Vinod Palvia – Member
4. Rajesh Dangayach – Member
5. Ghanshyam Solanki – Member

The Risk Management Committee was constituted by our Board at their meeting held on October 12, 2021. The terms of reference of the Risk Management Committee of our Company include the following:

- (a) to formulate a detailed risk management policy which shall include:
 - (i) A framework for identification of internal and external risks specifically faced by our Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risks as may be determined by the committee;
 - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks;
 - (iii) Business continuity plan;
- (b) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;
- (c) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) to keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) to review the appointment, removal and the terms of remuneration of the Chief Risk Officer (if any); and
- (g) such other tasks/ activities as may be mandated in the Listing Regulations or by the Board of Directors from time to time.

Management Organisation Chart

Jesons Industries Limited Management Organogram



Key Managerial Personnel

For details in relation to our Chairman and Managing Director, Executive Director and Whole-time Director, see “*Brief Biographies of Directors*” and “*Remuneration to Executive Directors*” on pages 167 and 168, respectively. In addition to our Chairman and Managing Director, Executive Director and Whole-time Director, the details of Key Managerial Personnel of our Company are as follows:

Deepak Ladha is the Chief Financial Officer of our Company. He holds a bachelor’s degree in commerce in Financial Accounting and Auditing (Special) and Tourism and Travel Management from the Shri Narsee Monjee College of Commerce and Economics, University of Mumbai. He is a qualified chartered accountant. He has been associated with our Company since September 23, 2021. Prior to joining our Company, he was associated, among others, with HSBC Securities and Capital Markets (India) Limited as Manager, Corporate Finance, Rabo India Finance Private Limited as Associate – Corporate Finance, Acquizon Advisory Private Limited as Director – Investment Banking, Ladderup Corporate Advisory Private Limited as a director and Lazard India Private Limited as Director – Corporate Finance. Since he joined our Company in Fiscal Year 2022, he was not paid any remuneration in Fiscal Year 2021.

Kushal Vasantbhai Gala is the Company Secretary and Compliance Officer of our Company. He holds a bachelor’s degree in commerce in Financial Accounting and Auditing (Special) from P.D. Lion’s College of Commerce and Economics, University of Mumbai and a bachelor’s degree in law from Jitendra Chauhan College of Law, University of Mumbai. He is also an associate member of the Institute of Company Secretaries of India. He has been associated with our Company since September 1, 2015. He has over ten years of experience in handling secretarial and compliance matters and he is responsible for ensuring compliance with corporate governance norms and other provisions of the Companies Act and rules thereunder, of our Company. He Prior to joining our Company, he was associated with MG Consulting Group as a senior executive. In Financial Year 2021, he was paid a remuneration of ₹ 1.09 million.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Relationship between our Directors and Key Managerial Personnel

Except as stated below, none of our Directors are related to each other or to our Key Managerial Personnel:

| Name of the Directors or Key Managerial Personnel | Relationship |
|--|--------------|
| Dhiresb Shashikant Gosalia and Madhavi Dhiresb Gosalia | Spouse |

Shareholding of Key Managerial Personnel

Except as disclosed in “*Shareholding of Directors in our Company*” on page 169, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Bonus or profit-sharing plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

Interests of Key Managerial Personnel

Other than as disclosed in this section and in “*Our Management - Interest of Directors*” on page 169, the Key Managerial Personnel of our Company 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 during the ordinary course of business.

Arrangements and understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been selected as the Key Managerial Personnel of our Company.

Service Contracts with Directors and Key Managerial Personnel

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.

Contingent and deferred compensation payable to our Director and Key Managerial Personnel

There is no contingent or deferred compensation accrued for Financial Year 2021 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

No non – salary amount or benefit has been paid or given to any of our Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Changes in the Key Managerial Personnel

Except as disclosed below and in “*Changes in the Board in the last three years*” on page 170, there has been no change in the Key Managerial Personnel in the last three years. Further, the attrition rate of Key Managerial Personnel of our Company is not high as compared to our peers.

| Name | Date of Change | Reason |
|--------------|-----------------------|--|
| Deepak Ladha | September 23, 2021 | Appointment as Chief Financial Officer |

Employee Stock Option Scheme

For details of our employee stock option schemes, see “*Capital Structure – Employee Stock Option Scheme*” on page 76.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Our Promoter is Dhiresh Shashikant Gosalia. As on the date of this Draft Red Herring Prospectus, our Promoter holds 46,387,200 Equity Shares, representing 86.53 % of the issued, subscribed and paid-up equity share capital of our Company.

Details of our Promoter



Dhiresh Shashikant Gosalia

Dhiresh Shashikant Gosalia, aged 59 years, is the Chairman and Managing Director of our Company. For further details, see “*Our Management – Brief biographies of Directors*” on page 167.

His permanent account number is AAIPG5800G and Aadhar card number is [REDACTED] His driving license number is MH02 19390070803.

Our Company confirms that the permanent account number, bank account number and passport number of our Promoter shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

Change in Control of our Company

Our Promoter is the original promoter of our Company and there has not been any change in the control of our Company since its incorporation.

Interests of Promoter

Interest in the promotion of our Company

Our Promoter is interested in our Company to the extent that he has promoted our Company, and to the extent of his salary in his capacity as a Managing Director and his shareholding and his relative’s shareholding in our Company, the dividends payable and any other distributions in respect of his shareholding in our Company. For further details, see “*Capital Structure - Details of Shareholding of our Promoter and members of the Promoter Group in our Company*”, “*Our Management – Interests of Directors*” each on page 169.

Interest in the property of our Company

Our Promoter has 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.

Interest in our Company arising out of being a member of a firm or company

Our Promoter is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Interest in our Company other than as Promoter

Except as mentioned in this section and sections titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Financial Information*” on pages 131, 158, 165, and 182, respectively, our Promoter does not have any other interest in our Company.

Payment or benefits to Promoter or Promoter Group

Except as stated in “*Related Party Transactions*” on page 236, there have been no amounts paid or benefits paid or given by our Company to our Promoter or Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

Disassociation by our Promoter in the last three years

Our Promoter has not disassociated himself from any companies or firms during the preceding three years from the date of filing of this Draft Red Herring Prospectus.

Guarantees

Our Promoter has not given any material guarantee to any third party, in respect of the Equity Shares, as on the date of this Draft Red Herring Prospectus. For details regarding other guarantees given by our Promoter please see “*History and Certain Corporate Matters*” on page 158.

Promoter Group

In addition to the Promoter, the individuals and entities that form part of the Promoter Group of our Company in terms of the SEBI ICDR Regulations are set out below:

A. Natural persons who are a part of our Promoter Group

1. Madhavi Dhires Gosalia (wife of Mr. Dhires Shashikant Gosalia);
2. Usha Shashikant Gosalia (mother of Mr. Dhires Shashikant Gosalia);
3. Jhelum Dhires Gosalia (daughter of Mr. Dhires Shashikant Gosalia);
4. Ravina Gaurav Shah (daughter of Mr. Dhires Shashikant Gosalia);
5. Parul Rajesh Mody (sister of Mr. Dhires Shashikant Gosalia); and
6. Madhuri Madhusudhan Mehta (mother-in-law of Mr. Dhires Shashikant Gosalia)

B. Entities who are a part of our Promoter Group

1. J Production.
2. Jesons Industries Limited Employees Group Gratuity Assurance Scheme

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than the Subsidiaries) with which there were related party transactions during the periods covered in the Restated Consolidated Summary Statements, 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 Summary Statements) shall be considered “material” and will be disclosed as a ‘group company’ in the offer documents, if it is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and the Company has entered into one or more transactions with such company during the last completed Fiscal (or relevant sub period, if applicable), which individually or cumulatively in value exceeds 10% of the consolidated revenue from operations of the Company for the last completed Fiscal as per the Restated Consolidated Summary Statements.

Accordingly, in terms of the Materiality Policy, the Board has identified Dura- Jesons LLC as our Group Company.

Details of our Group Company

Dura- Jesons LLC (“Dura – Jesons”)

Registered Office

The registered office of Dura-Jesons is located at 2200 Powell, St., STE 450 Emeryville, CA 94608.

Financial Performance

Dura- Jesons is a foreign company incorporated under the laws of the United States of America and is not required to get its financial statements audited for any of the periods of Fiscal 2019, Fiscal 2020 and Fiscal 2021 as per the local laws in that jurisdiction. Given that Dura- Jesons is not required to get its financial statements audited for any of the reported periods, no audited financial statements of Dura- Jesons are available and therefore, no financial information with respect to Dura-Jesons has been disclosed on the website of <https://www.jesons.net/financial-information.php>

Litigation which has a material impact on our Company

There is no pending litigation involving our Group Company which will have a material impact on our Company.

Nature and extent of interest of Group Company

Our Group Company does not have any interest in the promotion of our Company.

Our Group Company is not interested in the properties acquired by our Company in the three preceding years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits

There are no common pursuits amongst our Group Company and our Company.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section “*Financial Information*” and “*Related Party Transaction*” on pages 182 and 236, respectively, there are no other business transactions between our Company and Group Company which are significant to the financial performance of our Company.

Business interests or other interests

Except as disclosed in “*Related Party Transactions*” on page 236, our Group Company does not have any business interest in our Company.

Other Confirmations

Our Group Company does not have any securities listed on a stock exchange. Further, our Group Company has not made any public or rights issue of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013 and the Companies (Declaration and Payment of Dividends) Rules, 2014. Our Company has, by way of a resolution of the Board of Directors dated October 19, 2021, adopted a formal dividend distribution policy.

The dividend, if any, will depend on a number of internal and external factors, including but not limited to future expansion plans of the Company, including brand acquisitions, new product launches and long-term investments, net profits earned and free cash generated by the Company during the fiscal year, liquidity and applicable taxes including dividend distribution tax, if any, payable by our Company. In addition, our ability to pay dividends may be impacted by restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” on page 267.

The details of dividend on Equity Shares declared and paid by our Company in the last three Fiscal Years, and until the date of this Draft Red Herring Prospectus are given below:

| Particulars | For the fiscal year ended | | | For the three months period ended June 30, 2021 | From July 1, 2021 till the date of this Draft Red Herring Prospectus |
|---|---------------------------|----------------|----------------|---|--|
| | March 31, 2019 | March 31, 2020 | March 31, 2021 | | |
| No. of Equity Shares | 893,520 | 893,520 | 893,520 | 893,520 | 53,611,200 |
| Face value per Equity Share (in ₹) | 100 | 100 | 100 | 100 | 5 |
| Aggregate dividend (in ₹) | - | 26,805,600 | - | - | - |
| Dividend per share (in ₹) | - | 30 | - | - | - |
| Rate of dividend (%) | - | 30% | - | - | - |
| Dividend distribution tax (% of dividend) | - | 20.555% | - | - | - |
| Dividend Distribution Tax (in ₹ million) | - | 5,509,970 | - | - | - |
| Mode of payment of dividend | - | NEFT/ RTGS | - | - | - |

As certified by D M K H & Co., Chartered Accountants, pursuant to their certificate dated November 19, 2021.

The amount of dividend paid in past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or the amount thereof will not be decreased in the future. For details, see “*Risk Factors – Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements*” on page 46.

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

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Independent Auditor’s Examination Report on the Restated Consolidated Statement of Assets and Liabilities as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Cash Flows for the three months period ended June 30, 2021 and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 along with the Summary Statement of Significant Accounting Policies and other explanatory information of Jesons Industries Limited (collectively, the ‘Restated Consolidated Summary Statements’)

To,
The Board of Directors,
Jesons Industries Limited
904, Peninsula Tower 1,
Ganpath Rao Kadam Marg,
Parel, Mumbai 400 013.

Dear Sirs,

1. We have examined the attached Restated Consolidated Summary Statements of Jesons Industries Limited (the “Company” or the “Holding Company” or the “Issuer”), its subsidiaries (together referred to as the “Group”) and its associate which comprises of the Restated Consolidated Summary Statement of Assets and Liabilities as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Summary Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for the three months period ended June 30, 2021 and each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Significant Accounting Policies and explanatory notes to Restated Consolidated Summary Statements (collectively referred to as the “Restated Consolidated Summary Statements”), as approved by the Board of Directors of the Company at their meeting held on October 19, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”), Red Herring Prospectus (“RHP”) and Prospectus, prepared by the Company in connection with its Initial Public Offer (“IPO”) of equity shares of Rs. 5 each, prepared in terms of the requirements of:
 - a. Section 26(1) of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
 - b. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
 - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
2. The Company’s Board of Directors are responsible for the preparation of the Restated Consolidated Summary Statements for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (“the SEBI”), BSE Limited and National Stock Exchange of India Limited (collectively the ‘Stock Exchanges’), the RHP and the Prospectus

to be filed with the SEBI, the Stock Exchanges and the Registrar of Companies, Mumbai, Maharashtra (“ROC”) in connection with the proposed IPO. The Restated Consolidated Summary Statements have been prepared by the management of the Company on the basis of preparation stated in note no. 2 of Annexure V to the Restated Consolidated Summary Statements. The respective Board of Directors of the Companies included in the Group and the management of associate are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The respective Board of Directors/management are also responsible for identifying and ensuring that the Group and its associate complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Summary Statements taking into consideration:
 - a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 23, 2021, requesting us to carry out work on such Restated Consolidated Summary Statements, proposed to be included in the DRHP, the RHP and the Prospectus of the Company, in connection with the proposed IPO of equity shares of the Company;
 - b. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI;
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Consolidated Summary Statements; 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, ICDR Regulations in connection with the IPO.
4. The Restated Consolidated Summary Statements have been compiled by the Company’s management from:
 - a. the audited Special Purpose Interim Consolidated Financial Statements of the Group and its associate as at and for the three months period ended June 30, 2021, prepared in accordance with recognition and measurement principles under 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 October 19, 2021.
 - b. Audited Consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 14, 2021.

- c. Audited Consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2020, prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 10, 2020.
 - d. Audited Consolidated financial statements of the Company and its associate as at and for the year ended March 31, 2019, prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 18, 2019.
5. For the purpose of our examination, we have relied on:
- a. Auditors' Report issued by us on the Special Purpose Interim Consolidated Financial Statements of the Group and its associate as at and for the three months period ended June 30, 2020, dated October 19, 2021, as referred in Para 4 (a) above;
 - b. Auditors' Report issued by us on the Consolidated Financial Statements of the Group and its associate as at and for each of the year ended March 31, 2021 and March 31, 2020, dated June 14, 2021 and September 10, 2020 respectively as referred in Para 4 (b) and (c) and the Consolidated Financial Statements of the Company and its associate as at and for the year ended March 31, 2019 dated June 18, 2019, as referred in Para 4 (d) above.
6. Our audit reports for the three months ended June 30, 2021 and for each of the years ended March 31, 2021 and March 31, 2020 included an Emphasis of Matter paragraph on the below matter:

We draw attention to Note 2E(d) to Restated Consolidated Summary Statements which states that the management has made an assessment of the impact of COVID-19 on the Group's and associate's operations, financial performance and position for the three months period ended June 30, 2021 and for the year ended March 31, 2021 and March 31, 2020 and has concluded that there is no material impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the Restated Consolidated Summary Statements.

The above Emphasis of Matter did not give rise to any modification.

7. As indicated in our audit reports referred to in Para 5 (a) and Para 5 (b) above:
- a. We did not audit the Financial Statements of 2 subsidiaries whose share of total assets, total revenues and net cash inflows / (outflows) included in the Consolidated Financial Statements, for the relevant year is tabulated below, which have been audited by other auditors, and whose reports have been furnished to us by the Company's management and our opinion on the Consolidated Financial Statements in so far as it relates to the

amounts and disclosures included in respect of this component, is based solely on the report of the other auditors.

As at and for the three months period ended June 30, 2021 and for the years ended March 31, 2021 and March 31, 2020

In millions

| Name of the Company | Name of the Auditor | Period / year ended | Total assets | Total revenue | Net cash inflow/ (outflow) |
|--|----------------------------|---|---------------------|----------------------|-----------------------------------|
| Jesons Innovative Polymers Private Limited | SGCO and CO. LLP | Three months period ended June 30, 2021 | 38.79 | - | (0.02) |
| Jesons Innovative Polymers Private Limited | SGCO and CO. LLP | Year ended March 31, 2021 | 38.81 | - | (0.04) |
| Jesons Innovative Polymers Private Limited | SGCO and CO. LLP | Year ended March 31, 2020 | 38.85 | - | 38.85 |
| Jesons Techno Polymers LLP | SGCO and CO. LLP | Three months period ended June 30, 2021 | 1,151.29 | 2.30 | (99.54) |
| Jesons Techno Polymers LLP | SGCO and CO. LLP | Year ended March 31, 2021 | 870.99 | 3.78 | 87.69 |
| Jesons Techno Polymers LLP | SGCO and CO. LLP | Year ended March 31, 2020 | 283.42 | 0.77 | 16.27 |

- b. We did not audit the financial statements of one associate whose share of profit/ loss included in the Consolidated Financial Statements, for the relevant years/period is tabulated below, which have not been audited by any auditors. These financial statements have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to amounts and disclosures included in respect of the said associate is based solely based on unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

As at and for the three months period ended June 30, 2021 and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019

In millions

| Name of the Company | Period / year ended | Group's share of profit/(loss) |
|---------------------|---|--------------------------------|
| Dura Jesons LLC | Three months period ended June 30, 2021 | (0.11) |
| Dura Jesons LLC | Year ended March 31, 2021 | (1.26) |
| Dura Jesons LLC | Year ended March 31, 2020 | (0.31) |
| Dura Jesons LLC | Year ended March 31, 2019 | (0.11) |

Our report/opinion on the Restated Consolidated Summary Statements/Consolidated Financial Statements for respective years/period is not modified in respect of the above matter.

8. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Summary Statements:
 - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended June 30, 2021;
 - b. does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Summary Statements have been disclosed in Part C of Annexure VI to the Restated Consolidated Summary Statements; and
 - c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Interim Consolidated Financial Statements and the Audited Consolidated Financial Statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP, the RHP and the Prospectus to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited and the ROC in connection with the proposed

IPO of the Company. 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 MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

Ankush Agrawal
Partner
Membership No.: 159694
UDIN: 21159694AAAAEO2128

Place: Mumbai
Date: October 19, 2021

Restated Consolidated Summary Statement of Assets and Liabilities

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

| Particulars | Note No. Annexure VII | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|---|-----------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| I. ASSETS | | | | | |
| (1) Non-current assets | | | | | |
| (a) Property, plant and equipment | 5 | 500.28 | 480.71 | 506.42 | 545.65 |
| (b) Right of use assets | 6 | 247.94 | 251.97 | 249.24 | 107.54 |
| (c) Capital work in progress | 7 | 775.38 | 663.30 | 88.64 | 0.53 |
| (d) Other Intangible assets | 8 | 1.81 | 1.90 | 2.41 | 2.74 |
| (e) Financial assets | | | | | |
| (i) Investments | 9 | 1.44 | 1.54 | - | 0.48 |
| (ii) Loans | 10 | 0.49 | 0.64 | 0.96 | 1.06 |
| (iii) Other financial assets | 11 | 20.39 | 18.73 | 17.17 | 15.90 |
| (f) Non-current tax assets (net) | 12 | 2.11 | 2.03 | 0.56 | 3.76 |
| (g) Other non-current assets | 13 | 9.15 | 30.71 | 55.66 | 1.36 |
| Total Non-current assets | | 1,558.99 | 1,451.53 | 921.06 | 679.02 |
| (2) Current assets | | | | | |
| (a) Inventories | 14 | 2,206.42 | 2,194.52 | 772.03 | 774.35 |
| (b) Financial assets | | | | | |
| (i) Trade receivables | 15 | 2,810.11 | 2,828.22 | 1,564.19 | 1,388.05 |
| (ii) Cash and cash equivalents | 16 | 80.15 | 215.96 | 81.61 | 301.75 |
| (iii) Bank balances other than (ii) above | 17 | 7.78 | 15.70 | 0.01 | 0.35 |
| (iv) Loans | 10 | 0.65 | 0.33 | 1.75 | 0.14 |
| (v) Other financial assets | 11 | 52.35 | 66.22 | 89.36 | 9.92 |
| (c) Other current assets | 13 | 316.40 | 246.00 | 260.12 | 106.15 |
| Total Current assets | | 5,473.86 | 5,566.95 | 2,769.07 | 2,580.71 |
| Total Assets | | 7,032.85 | 7,018.48 | 3,690.13 | 3,259.73 |
| II. EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| (a) Equity share capital | 18 | 89.35 | 89.35 | 89.35 | 89.35 |
| (b) Other equity | 19 | 3,082.19 | 2,539.02 | 1,599.85 | 1,338.13 |
| Equity attributable to owners of the Company | | 3,171.54 | 2,628.37 | 1,689.20 | 1,427.48 |
| (c) Non-controlling interest | | 3.80 | 48.91 | 34.73 | - |
| Total Equity | | 3,175.34 | 2,677.28 | 1,723.93 | 1,427.48 |
| Liabilities | | | | | |
| (1) Non-current liabilities | | | | | |
| (a) Financial liabilities | | | | | |
| (i) Borrowings | 20 | 358.40 | 367.35 | 1.07 | 2.40 |
| (ii) Lease liabilities | 38(i) | 113.21 | 113.44 | 99.97 | 67.72 |
| (iii) Other financial liability | 21 | 5.13 | - | - | - |
| (b) Provisions | 22 | 14.32 | 8.21 | - | - |
| (c) Deferred tax liabilities (net) | 35 | 4.94 | 5.62 | 18.99 | 32.96 |
| Total Non-current liabilities | | 496.00 | 494.62 | 120.03 | 103.08 |
| (2) Current liabilities | | | | | |
| (a) Financial liabilities | | | | | |
| (i) Borrowings | 20 | 1,169.90 | 415.00 | 453.68 | 4.68 |
| (ii) Lease liabilities | 38(i) | 7.21 | 10.82 | 12.00 | 2.47 |
| (iii) Trade payables | 23 | | | | |
| (A) Total outstanding dues of micro enterprise and small enterprises | | 9.95 | 26.73 | 11.80 | 2.16 |
| (B) Total outstanding dues of creditors other than microenterprises and small enterprises | | 1,773.49 | 3,188.65 | 1,284.84 | 1,638.80 |
| (iv) Other financial liabilities | 21 | 195.45 | 76.67 | 50.40 | 47.78 |
| (b) Other current liabilities | 24 | 44.38 | 30.73 | 19.47 | 11.38 |
| (c) Provisions | 22 | 12.04 | 14.61 | 5.93 | 3.30 |
| (d) Current tax liabilities (net) | 25 | 149.09 | 83.37 | 8.05 | 18.60 |
| Total Current liabilities | | 3,361.51 | 3,846.58 | 1,846.17 | 1,729.17 |
| Total Liabilities | | 3,857.51 | 4,341.20 | 1,966.20 | 1,832.25 |
| Total Equity and Liabilities | | 7,032.85 | 7,018.48 | 3,690.13 | 3,259.73 |
| Summary of significant accounting policies | 4 | | | | |

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Summary Statements in Annexure V, Statement of Restated Adjustment to Consolidated Summary Statements in Annexure VI and Notes to Restated Consolidated Summary Statements in Annexure VII.

In terms of our report attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

Ankush Agrawal
Partner
Membership No: 159694

Dhresh Gosalia
Managing Director
DIN No. 00217158

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Deepak Ladha
Chief Financial Officer

Kushal Gala
Company Secretary
ACS No: 30833

Place: Mumbai
Date: October 19, 2021

Place: Mumbai
Date: October 19, 2021

JESONS INDUSTRIES LIMITED
Annexure II

Restated Consolidated Summary Statement of Profit and Loss

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

| Particulars | Note No. Annexure VII | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|-----------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Income | | | | | |
| I. Revenue from operations | 26 | 4,384.28 | 10,857.17 | 9,013.71 | 9,176.94 |
| II. Other income | 27 | 53.79 | 108.32 | 73.69 | 60.38 |
| III. Total income (I + II) | | 4,438.07 | 10,965.49 | 9,087.40 | 9,237.32 |
| IV. Expenses | | | | | |
| Cost of material consumed | 28 | 2,927.32 | 7,432.90 | 6,663.32 | 7,036.54 |
| Purchase of stock-in-trade | 29 | 333.70 | 1,140.20 | 933.82 | 1,006.24 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 30 | (46.53) | (229.88) | 26.89 | (38.45) |
| Employee benefit expense | 31 | 98.42 | 334.90 | 287.94 | 264.44 |
| Finance costs | 32 | 38.17 | 60.11 | 84.52 | 97.19 |
| Depreciation and amortisation expense | 33 | 18.92 | 75.45 | 76.42 | 68.11 |
| Other expenses | 34 | 334.13 | 890.82 | 626.82 | 429.43 |
| Total expenses (IV) | | 3,704.13 | 9,704.50 | 8,699.73 | 8,863.50 |
| V. Profit before tax (III - IV) | | 733.94 | 1,260.99 | 387.67 | 373.82 |
| VI. Tax expense | | | | | |
| Current tax | 35 | 191.80 | 345.24 | 104.21 | 131.65 |
| Deferred tax | 35 | (0.68) | (13.37) | (14.27) | (5.47) |
| Total tax expense (VI) | | 191.12 | 331.87 | 89.94 | 126.18 |
| VII. Profit before share of loss of equity accounted investee (V - VI) | | 542.82 | 929.12 | 297.73 | 247.64 |
| VIII. Share of net loss of associate accounted using equity method | | (0.11) | (0.31) | (1.26) | (0.13) |
| IX. Profit for the period/year (VII - VIII) | | 542.71 | 928.81 | 296.47 | 247.51 |
| X. Other Comprehensive Income/(loss) ("OCI") | | | | | |
| <i>A. Items that will not be reclassified to the Statement of Profit and Loss</i> | | | | | |
| (a) Re-measurement (losses) on defined benefit plans [Refer Note 37.2(v)] | | (0.83) | (2.28) | (3.14) | (0.86) |
| (b) Tax on above | | 0.19 | 0.57 | 0.78 | 0.30 |
| Total other comprehensive income/(loss) for the period/year (net of tax) (X) | | (0.64) | (1.71) | (2.36) | (0.56) |
| XI. Total comprehensive income for the period/year (IX + X) | | 542.07 | 927.10 | 294.11 | 246.95 |
| Profit for the period/year attributable to: | | | | | |
| Owners of the Company | | 542.92 | 940.88 | 295.49 | 247.51 |
| Non-controlling interest | | (0.21) | (12.07) | 0.98 | - |
| Other comprehensive income/(loss) for the period/year attributable to: | | | | | |
| Owners of the Company | | (0.64) | (1.71) | (2.36) | (0.56) |
| Non-controlling interest | | - | - | - | - |
| Total comprehensive income/(loss) for the period/year attributable to: | | | | | |
| Owners of the Company | | 542.28 | 939.17 | 293.13 | 246.95 |
| Non-controlling interest | | (0.21) | (12.07) | 0.98 | - |
| Earnings per share (EPS) | | | | | |
| Before share split and bonus issue | | | | | |
| Basic and diluted (in ₹) (Face value ₹ 100 each) (EPS for period April 2021 to June 2021 is not annualised) | 36 | 607.62 | 1,053.00 | 330.70 | 277.01 |
| After share split and bonus issue | | | | | |
| Basic and diluted (in ₹) (Face value ₹ 5 each) (EPS for period April 2021 to June 2021 is not annualised) | 36 | 10.13 | 17.55 | 5.51 | 4.62 |
| Summary of significant accounting policies | 4 | | | | |

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Summary Statements in Annexure V, Statement of Restated Adjustment to Consolidated Summary Statements in Annexure VI and Notes to Restated Consolidated Summary Statements in Annexure VII.

In terms of our report attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

Ankush Agrawal
Partner
Membership No: 159694

Dhires Gosalia
Managing Director
DIN No. 00217158

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Deepak Ladha
Chief Financial Officer

Kushal Gala
Company Secretary
ACS No: 30833

Place: Mumbai
Date: October 19, 2021

Place: Mumbai
Date: October 19, 2021

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| A. Cash flow from operating activities | | | | |
| Profit before tax | 733.94 | 1,260.99 | 387.67 | 373.82 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 18.92 | 75.45 | 76.42 | 68.11 |
| Interest income on financial assets | (0.45) | (8.21) | (12.14) | (5.41) |
| Interest on lease liability | 2.84 | 10.48 | 8.23 | 1.77 |
| Other finance costs | 35.33 | 45.65 | 76.29 | 95.42 |
| Unrealised exchange gain | 14.43 | (24.85) | 5.80 | (35.95) |
| Provision for doubtful debts & advances | (2.27) | 24.93 | 2.62 | 0.34 |
| Unwinding of prepaid expense to rent | 0.08 | 0.30 | 0.30 | 0.23 |
| Loss/ (Profit) on sale of property, plant and equipment (Net) | (0.27) | 0.05 | (0.03) | 0.19 |
| Operating profit before working capital changes | 802.55 | 1,384.79 | 545.16 | 498.52 |
| Changes in working capital | | | | |
| (Increase)/ decrease in inventories | (11.91) | (1,422.55) | 2.15 | (86.81) |
| (Increase)/ decrease in trade receivables | (0.79) | (1,276.07) | (153.60) | 19.86 |
| (Increase)/ decrease in financial assets | 11.29 | 24.56 | (80.40) | 14.27 |
| (Increase)/ decrease in other assets | (70.58) | 13.24 | (154.30) | 35.63 |
| Increase/ (decrease) in trade payables | (1,430.33) | 1,929.16 | (368.24) | 489.32 |
| Increase/ (decrease) in other current financial liabilities | 67.38 | 24.31 | 4.96 | 16.84 |
| Increase/ (decrease) in provisions and other current liabilities | 16.38 | 25.63 | 7.66 | 1.90 |
| Cash generated from/ (used in) operations | (616.01) | 703.07 | (196.61) | 989.53 |
| Income tax paid | (125.99) | (270.80) | (110.70) | (152.93) |
| Net cash generated from/ (used in) operating activities (A) | (742.00) | 432.27 | (307.31) | 836.60 |
| B. Cash flow from Investing activities | | | | |
| Acquisition of property plant and equipment including movement in capital work-in-progress, capital advances and creditors | (117.93) | (587.60) | (272.86) | (48.42) |
| Proceeds from sale/ disposal of property, plant and equipment | 0.36 | 1.61 | 0.14 | 2.33 |
| Investment in Associate | - | (1.85) | (0.74) | - |
| Net proceeds / (application) of fixed deposits | 7.88 | (15.69) | 0.34 | (0.34) |
| Net proceeds / (application) from other non-current assets | 0.67 | 0.90 | 0.79 | (5.46) |
| Interest received | 0.64 | 8.21 | 12.14 | 5.41 |
| Net cash used in investing activities (B) | (108.38) | (594.42) | (260.19) | (46.48) |
| C. Cash flow from Financing activities | | | | |
| Repayment of long term borrowings | (8.95) | - | (4.68) | (101.71) |
| Proceeds from long term borrowings | - | 413.50 | - | 3.51 |
| Proceeds from Partners' Capital | - | 26.25 | 33.75 | - |
| Proceeds/ (Repayment) of short-term borrowings (net) | 759.11 | (83.10) | 440.24 | (302.71) |
| Payment of dividend and dividend distribution taxes | - | - | (32.30) | - |
| Non-current other financial liability (fixed deposit) | 2.83 | - | - | - |
| Payment of lease liabilities | (6.70) | (14.50) | (13.36) | (2.32) |
| Finance costs | (31.72) | (45.65) | (76.29) | (95.42) |
| Net cash generated from/ (used in) financing activities (C) | 714.57 | 296.50 | 347.36 | (498.65) |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | (135.81) | 134.35 | (220.14) | 291.47 |
| Cash and cash equivalents at the beginning of the period / year | 215.96 | 81.61 | 301.75 | 10.28 |
| Cash and cash equivalents at the end of the period / year | 80.15 | 215.96 | 81.61 | 301.75 |
| Cash and cash equivalents comprise (Refer note 16) | | | | |
| Balances with banks | | | | |
| On current accounts | 64.16 | 203.75 | 81.20 | 13.65 |
| Fixed deposits with original maturity less than 3 months | 15.56 | 11.98 | - | 287.97 |
| Cash on hand | 0.43 | 0.23 | 0.41 | 0.13 |
| Total cash and cash equivalents at end of the period / year | 80.15 | 215.96 | 81.61 | 301.75 |

JESONS INDUSTRIES LIMITED
Annexure III
Restated Consolidated Summary Statement of Cash Flows
(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

Note:

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7, "Cash Flow Statements".
(ii) Disclosure as required by Ind AS 7 - "Cash Flow Statements" - change in liabilities arising from financing activities:-

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Opening Balance | 782.35 | 454.75 | 7.08 | 405.10 |
| Non cash movement | | | | |
| Accrual of Interest | 35.33 | 45.65 | 76.29 | 98.31 |
| Exchange (Gain)/Loss | (7.82) | (2.80) | 12.11 | - |
| Cash movement | | | | |
| Principal Repayment of long term borrowings | (8.95) | - | (4.68) | (101.71) |
| Proceeds from long term borrowings | - | 413.50 | - | 3.51 |
| Net Short term Borrowing | 759.11 | (83.10) | 440.24 | (302.71) |
| Interest Payment | (31.72) | (45.65) | (76.29) | (95.42) |
| Closing Balance | 1,528.30 | 782.35 | 454.75 | 7.08 |

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Summary Statements in Annexure V, Statement of Restated Adjustment to Consolidated Summary Statements in Annexure VI and Notes to Restated Consolidated Summary Statements in Annexure VII.

In terms of our report attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

Ankush Agrawal
Partner
Membership No: 159694

Place: Mumbai
Date: October 19, 2021

Dhresh Gosalia
Managing Director
DIN No. 00217158

Place: Mumbai
Date: October 19, 2021

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Deepak Ladha
Chief Financial Officer

Kushal Gala
Company Secretary
ACS No: 30833

JESONS INDUSTRIES LIMITED

Annexure IV

Restated Consolidated Summary Statement of Changes in Equity

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

(A) Equity Share Capital (issued and subscribed) (Refer Note: 18)

| Particulars | Amount |
|---|--------|
| Balance as at 1st April 2018 | 89.35 |
| Changes in equity share capital during the year | - |
| Balance as at 31st March 2019 | 89.35 |
| Changes in equity share capital during the year | - |
| Balance as at 31st March 2020 | 89.35 |
| Changes in equity share capital during the year | - |
| Balance as at 31st March 2021 | 89.35 |
| Changes in equity share capital during the period | - |
| Balance as at 30th June 2021 | 89.35 |

(B) Other equity & Non Controlling Interest

| Particulars | General reserve | Retained earnings | Capital contribution | Total attributable to owners of the | Non-controlling interest | Total |
|---|-----------------|-------------------|----------------------|-------------------------------------|--------------------------|----------|
| Balance as at 1st April 2018 | 5.43 | 1,081.26 | 6.40 | 1,093.09 | - | 1,093.09 |
| Profit for the year | - | 247.51 | - | 247.51 | - | 247.51 |
| Other comprehensive income | - | (0.56) | - | (0.56) | - | (0.56) |
| Adjusted during the year | - | - | (1.91) | (1.91) | - | (1.91) |
| Total comprehensive income for the year | - | 246.95 | (1.91) | 245.04 | - | 245.04 |
| Balance as at 31st March 2019 | 5.43 | 1,328.21 | 4.49 | 1,338.13 | - | 1,338.13 |
| Ind AS 116 restatement adjustment | - | 0.89 | - | 0.89 | - | 0.89 |
| Restated balance at 1st April 2019 | 5.43 | 1,329.10 | 4.49 | 1,339.02 | - | 1,339.02 |
| Contribution by minority holder | - | - | - | - | 33.75 | 33.75 |
| Profit for the year | - | 295.49 | - | 295.49 | 0.98 | 296.47 |
| Other comprehensive income | - | (2.36) | - | (2.36) | - | (2.36) |
| Dividend distributed including dividend distribution tax | - | (32.30) | - | (32.30) | - | (32.30) |
| Total comprehensive income for the year | - | 260.83 | - | 260.83 | 0.98 | 261.81 |
| Balance as at 31st March 2020 | 5.43 | 1,589.93 | 4.49 | 1,599.85 | 34.73 | 1,634.58 |
| Contribution by minority holder | - | - | - | - | 26.25 | 26.25 |
| Profit for the year | - | 940.88 | - | 940.88 | (12.07) | 928.81 |
| Other comprehensive income | - | (1.71) | - | (1.71) | - | (1.71) |
| Total comprehensive income for the year | - | 939.17 | - | 939.17 | (12.07) | 927.10 |
| Balance as at 31st March 2021 | 5.43 | 2,529.10 | 4.49 | 2,539.02 | 48.91 | 2,587.93 |
| Profit for the period | - | 542.92 | - | 542.92 | (0.21) | 542.71 |
| Impact of change in controlling interest without loss of control | - | 0.89 | - | 0.89 | (0.89) | - |
| Other Payable on account of reduction in Partnership Interest (Refer Note 21) | - | - | - | - | (44.01) | (44.01) |
| Other comprehensive income | - | (0.64) | - | (0.64) | - | (0.64) |
| Total comprehensive income for the period | - | 543.17 | - | 543.17 | (45.11) | 498.06 |
| Balance as at 30th June 2021 | 5.43 | 3,072.27 | 4.49 | 3,082.19 | 3.80 | 3,085.99 |

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Summary Statements in Annexure V, Statement of Restated Adjustment to Consolidated Summary Statements in Annexure VI and Notes to Restated Consolidated Summary Statements in Annexure VII.

In terms of our report attached
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

Ankush Agrawal
Partner
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Dhires Gosalia
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Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Deepak Ladha
Chief Financial Officer

Kushal Gala
Company Secretary
ACS No: 30833

Partner
Date: October 19, 2021

Place: Mumbai
Date: October 19, 2021

1 Corporate Information

The Restated Consolidated Summary Statements comprise financial statements of Jesons Industries Limited ('the Company' or 'the Holding Company') and its subsidiaries, Jesons Innovative Polymers Private Limited and Jesons Techno Polymers LLP (collectively, 'the Group') and includes share of profit/loss of its associate, Dura Jesons LLC, USA.

The Company is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The address of its registered office is located at 904, Peninsula Tower No. 1, Lower Parel (West), Mumbai - 400013, Maharashtra.

The Group is one of the leading manufacturer and exporter of critical specialty coating emulsions ('SCE') and pressure sensitive adhesives ('PSA'). The Group manufactures a wide range of SCEs, additives and PSAs for diversified end user industries, such as paints, packaging, textiles, leather, paper, carpets and construction chemicals.

The Restated Consolidated Summary Statements which comprise financial information of the Group and its associate for the three months period ended 30th June 2021 and for the financial years ended 31st March 2021, 31st March 2020 and 31st March 2019 were approved for issue in accordance with a resolution of the directors on October 19, 2021.

2 Basis of preparation of Restated Consolidated Summary Statements**A. Basis of preparation**

The Restated Consolidated Summary Statements of the Group and its associate comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at 30th June 2021, 31st March 2021, 31st March 2020, 31st March 2019, the related Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Cash Flows and the Restated Consolidated Summary Statement of Changes in Equity for the three months period ended 30th June 2021 and years ended 31st March 2021, 31st March 2020, 31st March 2019, along with the Significant Accounting Policies and explanatory notes (collectively, the 'Restated Consolidated Summary Statements' or 'Statements').

The Restated Consolidated Summary Statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the period/years presented in the Restated Consolidated Summary Statements, unless otherwise stated.

The Restated Consolidated Summary Statements has been prepared specifically for inclusion in the Draft Red Herring Prospectus ('DRHP'), Red Herring Prospectus ("RHP") and Prospectus to be filed by the Company with the Securities and Exchange Board of India ("SEBI") and National Stock Exchange of India Limited and BSE Limited, where the Equity Shares are proposed to be listed (the "Stock Exchanges") in connection with proposed Initial Public Offering ("IPO"), in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act")
- b) relevant provisions of "The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018" as amended from time to time; and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note")

The Restated Consolidated Summary Statements have been compiled from:

- i) Audited Special Purpose Interim Consolidated Ind AS financial statements of the Group and its associate as at and for the three months period ended 30th June 2021 prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on October 19, 2021.
- ii) Audited Consolidated Ind AS financial statements of the Group and its associate as at and for year ended 31st March 2021, 31st March 2020 and 31st March 2019 prepared in accordance with Ind 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 14th June 2021, 10th September 2020 and 18th June 2019 respectively.
- iii) The Restated Consolidated Summary Statements have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31st March 2021, 31st March 2020 and 31st March 2019 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the period ended 30th June 2021. These Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated financial statements mentioned above. These audited consolidated financial statements have been prepared on a going concern basis.

While preparing the Restated Consolidated Summary Statements, adjustments to the Audited Consolidated financial statements of the Company and its associate for year ended 31st March 2019 have been made to reflect the following:

In the Audited Consolidated Ind AS financial statements for year-ended 31st March 2020, the Group had applied Ind AS 116 "Leases" using the modified retrospective approach and therefore comparative information for previous year was not restated. As required under the ICDR Regulations, the Restated Consolidated Summary Statements (including for the stub period if applicable) should be restated to ensure consistency of presentation, disclosures and the accounting policies for all the periods presented in line with that of the latest financial year/stub period presented. Accordingly while preparing this Restated Consolidated Summary Statements, the Audited Consolidated Ind AS financial statements of the Group for the year-ended 31st March 2019 has been adjusted to ensure consistent application of Ind AS 116 "Leases" for all periods presented.

As required by the Guidance Note, the equity balance as at 31st March 2019 in the Restated Consolidated Summary Statements, computed after giving impact of above, has been adjusted as a part of restated adjustments and carried forward to the opening equity balance as of 1st April 2019 given in the Audited Consolidated Ind AS financial statements for year-ended 31st March 2020.

B Basis of measurement

The Restated Consolidated Summary Statements have been prepared on a historical cost basis, except for the following:

- (a) Certain financial instruments (including derivative instruments) that are measured at fair value
- (b) assets held for sale measured at lower of cost or fair value less cost to sell; and
- (c) Defined benefit plan assets / liabilities measured at fair value

C Measurement of fair values

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Restated Consolidated Summary Statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

D Classification into current and non-current:

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

E Critical accounting estimates, assumptions and judgements

The preparation of Restated Consolidated Summary Statements requires the Management to make estimate, assumptions and judgements that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the Restated Consolidated Summary Statements and the result of operations during the reporting period end. Although these estimates and assumptions are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates, if any, are recognized in the period in which the estimates are revised, if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(a) Useful lives of property, plant and equipment (PPE) and intangible assets

As described in the significant accounting policies, the Management reviews the estimated useful lives and residual value of property, plant and equipment and intangible assets at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

(b) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the Restated Consolidated Summary Statements.

(c) Employee benefit obligations

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the period, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the period ended June 30, 2021 and years ended March 31, 2021 and March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

(e) Measurement of Lease liabilities and Right of Use Asset:

The Group considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability. Refer note 6 and 38.

(f) Impairment of assets - Refer Note 1.7 and 1.9.**(g) Recognition of deferred tax assets - Refer Note 35.****3 Basis of Consolidation****(a) Subsidiaries:**

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Financial Information from the date the Group gains control until the date the Group ceases to control the subsidiary.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value

The financial information of the Company and its subsidiary is combined line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Restated Consolidated Summary Statement of Profit and Loss, Restated Consolidated Summary Statement of changes in equity and Restated Consolidated Summary Statement of Assets and Liabilities respectively.

Subsidiaries considered in the Restated Consolidated Summary Statements:

| Name of the entity | Date of incorporation | Ownership interest (in %) | | |
|---|-----------------------|-------------------------------------|---------------------------|---------------------------|
| | | Three months period ended June 2021 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Jesons Innovative Polymers Private Limited, India | October 24, 2019 | 100% | 100% | 100% |
| Jesons Techno Polymers LLP, India * | October 10, 2019 | 99% | 85% | 85% |

* The Company has during the period ended 30th June 2021, acquired 14% from share of Mr. Dhiresh Gosalia. Accordingly, the legal ownership of the Company has increased from 85% in previous year to 99% w.e.f. 1st April 2021. Also, the economic interest is revised from 50:50 from previous year to 99:1 in current period.

(b) Associates:

Associates are entities over which the group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Investments in associates are consolidated using equity method of accounting, after initially being recognised at cost.

Associate considered in the Restated Consolidated Summary Statements:

| Name of the entity | Date of incorporation | Ownership interest in % | | | |
|----------------------|-----------------------|-------------------------------------|---------------------------|---------------------------|---------------------------|
| | | Three months period ended June 2021 | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Dura Jesons LLC, USA | December 05, 2017 | 49% | 49% | 49% | 49% |

Equity Method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the consolidated profits and loss, and the Group's share of other comprehensive income of the investee in consolidated other comprehensive income.

Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other equity.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Non-controlling interest:

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

(d) Changes in ownership interests:

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiaries. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

4 Summary of Significant accounting policies are set out below:

1.1 Property, plant and equipment

Property, plant and equipment, other than Freehold Land, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Freehold land is carried at cost and is not depreciated. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Machinery spares that meet the definition of property, plant and equipment are capitalised and depreciated over the useful life of the principal item of an asset. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the year in which they are incurred.

Projects under commissioning and other CWIP/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably.

Advances given to acquire property, plant and equipment is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of 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 the sales proceeds and the carrying amount of the asset and is recognised in the Restated Consolidated Summary Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a written down value basis. Depreciation on additions/deletions during the year is provided on pro-rata basis from/up to the date of such addition/deletion.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Depreciation methods, estimated useful lives

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The Group uses written down value ('WDV') method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

| Property, plant and equipment | Useful Lives |
|-------------------------------|--------------|
| Leasehold land | Lease period |
| Factory Building | 30 years |
| Office Building | 60 years |
| Plant & Machinery | 25 years |
| Furniture and Fixtures | 10 years |
| Office Equipment | 5 years |
| Motor Vehicle | 12 years |

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

1.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a written down value ('WDV') basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and amortisation expense in Restated Consolidated Summary Statement of Profit & Loss.

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Group uses written down value ('WDV') method and has used following useful lives to provide amortisation of different class of intangible assets.

| Intangible assets | Useful life |
|-------------------|-------------|
| Computer Software | 5 years |

1.3 Research and development cost

Revenue expenditure pertaining to research is charged to the Restated Consolidated Ind AS Summary Statement of Profit and Loss. Development costs of products are also charged to the Restated Consolidated Summary Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

1.4 Leases

As a Lessee

As a lessee, the Group generally recognises for all leases a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

As a general rule, the Group separates non-lease components, such as services from lease payments. Lease liabilities are measured at the present value of the remaining lease payments, taking into account the incremental borrowing rate.

Lease payments are discounted using the interest rate implicit in the lease contracts if that rate can be determined from the lease contracts. If the discount rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a risk free rate of interest which is adjusted for lease term, country risk and currency risk.

A right-of-use asset is generally recognized at the same amount as the lease liability. After capitalization at commencement date, whereby the right-of-use asset is measured at cost, the right-of-use asset is generally depreciated over the lease term using the straight-line method. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

A number of leases include extension and termination options. Extension and termination options are taken into account on recognition of the lease liability only if the Group is reasonably certain that these options will be exercised in the future. Estimates and expectations which are asserted at the commencement date of the lease liability and the right-of-use asset and pertain to future payments not yet determined on the date of provision are assessed continuously during the lease term. If subsequently improved or changed knowledge influences the expected payment profile over time, the lease liability is remeasured.

Initial direct costs are excluded for the measurement of right-of-use assets at the date of initial application. The Group exercises the exemption for lease arrangements with a maximum term of 12 months (short term leases) and low-value assets. Payments associated with such short-term leases and low-value assets are recognised as an expense in Statement of Profit and Loss. Variable lease payments that depend on usage and/ or other variable conditions are recognised in the Restated Consolidated Summary Statement of Profit and Loss in the period in which the conditions that trigger those payments occur.

1.5 Inventories

Inventories which comprises raw materials, work in progress, finished goods, stock in trade and stores and spares are carried at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of actual operations. Cost of inventories also comprises of other costs incurred in bringing the inventories to their present location and condition. In determining cost, FIFO method is used.

The net realizable value of work in progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed the net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

1.6 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks, cash on hand and short-term deposits, if any, with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown in current liabilities in the balance sheet.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft.

1.7 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Restated Consolidated Summary Statement of Profit and Loss, except in case of revalued assets.

1.8 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised 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. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group 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 the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

1.9 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities respectively. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Restated Consolidated Ind AS Summary Statement of Profit and Loss.

Classification and subsequent measurement:**Financial Assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On subsequent measurement financial assets are measured at:

- a) Amortized cost; or
- b) Fair value through Other Comprehensive Income (FVOCI); or
- c) Fair value through Profit or Loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, dividend income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Net gains and losses, including interest income from these financial assets is included in other income.

Investment in Equity Instruments

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI or FVTPL. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Dividend income received on such equity investments are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest rate method.

Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

With respect to trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when Group:

- (a) has transferred the rights to receive cash flows from the financial assets; or
- (b) retains the contractual rights to receive the cash flows from financial assets, but assumes a contractual obligation to pay the cashflows to one or more recipients.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Derecognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

Derivative contracts

The Group uses derivative financial instruments such as foreign exchange forward contracts to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when, and only when, the Group currently has a legally enforceable right to offset the recognized amounts and it intends either to settle them on a net basis or realize the asset and settle the liability simultaneously.

Fair value measurement

The Group measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Summary Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and 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 liability that are not based on observable market data (unobservable inputs).

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 inputs being the discount rate that reflects the credit risk of counterparty.

1.10 Revenue Recognition**Sale of goods**

The Group recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in Ind AS 115 have been applied and accordingly:

- The Group does not adjust the promised amount of consideration for the effects of a significant financing component
- The Group recognises the incremental costs of obtaining a contract as an expense when incurred
- No information on remaining performance obligations as of period end/year end that have an expected original term of one year or less was reported.

Revenue from Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Export benefits

Export benefits are recognised where there is reasonable assurance that such benefits will be received and all attached conditions will be complied with. Export benefits are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which such benefits are intended to compensate.

Trade receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue. Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

Other Income**a) Interest**

Interest Income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable, which the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's on net carrying amount on initial recognition.

b) Dividend

Dividend income from investments is recognised when the Group's right to receive dividend is established.

1.11 Employee Benefits**Short-term obligations**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, leaves in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plan

The Group's contribution to Employee Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and charged as an expense in the Statement of Profit and Loss on an accrual basis.

Defined benefit plans

The Group provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to profit or loss in subsequent periods.

Long term compensated absences

The employees of the Group are entitled to compensated absences for which the Group records the liability based on actuarial valuation computed using Projected Unit Credit method. These benefits are unfunded. Leaves under defined benefit plan can be encashed only on discontinuation of service by employee.

1.12 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

1.13 Borrowing Cost

Borrowing costs consist of interest and other ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

a) Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.

b) Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

1.14 Taxes on income

Taxes on income comprises current tax and deferred tax

(a) Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

1.15 Functional currency and Foreign Currency Transactions

(a) Functional and presentation currency

The Restated Consolidated Summary Statements are presented in Indian rupee (INR/₹), which is the Group's functional and presentation currency. Foreign currency transactions are recorded and presented in the functional currency by applying the exchange rate between the functional currency and the foreign currency prevailing at the dates of the transactions.

(b) Translations

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

1.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period which includes the impact on account of sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares outstanding during the period includes the impact on account of sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements

1.17 Rounding off amounts

All amounts disclosed in Restated Consolidated Summary Statements and notes have been rounded off to the nearest million as per requirement of Schedule III of the Act, unless otherwise stated. Any amount appearing as Rs. 0.00 represent amount less than Rs. 50,000.

Part A: Statement of Restated Adjustments

Reconciliation between audited profit and restated profit

| Particulars | Note No. | For three months period ended 30th June 2021 | Year ended 31st March 2021 | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|----------|--|----------------------------|----------------------------|----------------------------|
| Profit for the year (as per audited consolidated financial statements) | | 542.71 | 928.81 | 296.47 | 248.40 |
| Restatement adjustments: | | | | | |
| On account of adoption of Ind AS 116 | 1 | | | | |
| - Depreciation | | - | - | - | (1.74) |
| - Finance cost | | - | - | - | (1.77) |
| - Lease expenses | | - | - | - | 2.32 |
| | | - | - | - | (1.19) |
| Tax impact on above adjustment | | - | - | - | 0.30 |
| Total impact on account of restatement adjustments | | - | - | - | (0.89) |
| Profit for the period/year as per Restated Consolidated Summary Statement of Profit and loss | | 542.71 | 928.81 | 296.47 | 247.51 |

Reconciliation between audited total equity and restated total equity

| Particulars | Note No. | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------|----------------------|-----------------------|-----------------------|-----------------------|
| Total equity (as per audited consolidated financial statements) | | 3,175.34 | 2,677.28 | 1,723.93 | 1,428.37 |
| Restatement adjustments: | | | | | |
| On account of adoption of Ind AS 116 | 1 | - | - | - | (1.19) |
| Tax impact on above adjustment | | - | - | - | 0.30 |
| Total impact on account of restatement adjustments | | - | - | - | (0.89) |
| Total equity as per Restated Consolidated Summary Statement of Assets and Liabilities | | 3,175.34 | 2,677.28 | 1,723.93 | 1,427.48 |

Note 1:

Ind AS 116 - "Leases", which is mandatory w.e.f. 1 April 2019, has replaced existing Ind AS 17 - "Leases". The Group has applied the modified retrospective approach on transition w.e.f. 1 April 2019. However for the restatement purpose, modified retrospective approach has been applied w.e.f April 1, 2018. The effect of implementing Ind AS 116 is as under:

- Right of use (ROU) asset recognised on 1 April 2018 is Rs. 39.78 million (including reclassification of leasehold land of Rs. 39.78 million)
- Lease liability recognised on 1 April 2018 is Rs. Nil
- Cost of material consumed are lower by Rs. 2.32 million in FY 18-19.
- Depreciation and amortisation expenses are higher by Rs. 1.74 million in FY 18-19.
- Finance costs are higher by Rs. 1.77 million in FY 18-19.
- Deferred tax are lower by Rs. 0.30 million

As required by the Guidance Note, an adjustment of Rs 0.89 million has been recorded on 1 April 2019 with a corresponding impact in Right-of-use assets and deferred tax liabilities (net) to reflect and carry forward the opening balance in these line items as per the Audited Consolidated financial statements for year-ended March 31, 2020.

Part B: Reconciliation of total equity as per the audited consolidated financial statements with total equity as per Restated Consolidated Summary Statements as at March 31, 2019:

The Group has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 for transition to Ind AS 116, while preparing the Restated Consolidated Summary Statement for each of the year ended 31st March 2021, 31st March 2020 and 31st March 2019 as well as three months period ended 30th June 2021. As specified in the Guidance Note, the equity balance computed under Restated Consolidated Summary Statement for the year ended 31st March 2019 and equity balance computed on transition (using modified retrospective approach) to Ind AS 116 on 1st April 2019, differs due to restatement adjustments made for year ended 31st March 2019. Accordingly, following balances as at 31st March 2019 of the Restated Consolidated Summary Statement has not been carried forward to opening balance sheet as at 1st April 2019. The reconciliation difference is as below:

| Particulars | Right of use asset | Deferred tax | Retained earning | Lease liability |
|--|--------------------|--------------|------------------|-----------------|
| Restated balance as at 31st March 2019 | 107.54 | 32.96 | 1,328.21 | 70.19 |
| Add: Adjustment on account of adoption of Ind AS 116 (including taxes) | 1.19 | 0.30 | 0.89 | - |
| Balance as at 1st April 2019 after adjustment of impact of adoption of Ind AS 116 w.e.f. 1st April 2019 as per audited consolidated financial statements for the year ended 31st March 2020 | 108.73 | 33.26 | 1,329.10 | 70.19 |

Part C: Non adjusting events:

1. Audit qualifications for the respective years, which do not require any adjustments in the Restated Consolidated Summary Statements are as follows:

There are no audit qualification in Auditor's reports on the consolidated financial statements for three months period ended 30th June 2021 and financial years ended 31st March 2021, 31st March 2020 and 31st March 2019.

2. Emphasis of Matters for the respective years, which do not require any adjustments in the Restated Consolidated Summary Statements are as follows:

Emphasis of matter for three months period ended June 30, 2021:

We draw attention to Note 48 to the Special Purpose Interim Consolidated Financial Statements which states that the management has made an assessment of the impact of COVID-19 on the Group's and associate's operations, financial performance and position as at and for the end of three months period ended June 30, 2021 and has concluded that there is no material impact which is required to be recognised in the Special Purpose Interim Consolidated Financial Statements. Accordingly, no adjustments have been made to the Special Purpose Interim Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

Emphasis of matter for the year ended March 31, 2021:

We draw attention to Note 49 to the consolidated financial statements which states that the management has made an assessment of the impact of COVID-19 on the Group's and associate's operations, financial performance and position as at and for the end of year ended March 31, 2021 and has concluded that there is no material impact which is required to be recognised in the consolidated financial statements. Accordingly, no adjustments have been made to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Emphasis of matter for the year ended March 31, 2020:

We draw attention to Note 1(B)(iv)(d) to the consolidated financial statements which states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the end of year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. Our opinion is not modified in respect of this matter.

JESONS INDUSTRIES LIMITED

Annexure VI

Notes to Restated Consolidated Summary Statements

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

3. In the standalone audited financial statements of the Company for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, auditors were required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013. Restated Consolidated Ind AS Summary Statement does not contain any qualifications requiring adjustments. However certain qualifications/ comments included in the CARO in the standalone financial statements, which do not require any corrective adjustments in the Restated Consolidated Ind AS Summary Statement are reproduced below:

Annexure B to Auditor's report

As at and for the year ended 31 March 2021:

Clause (i) (b) of CARO 2016 Order

All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

Clause (vii) (a) of CARO 2016 Order

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

As at and for the year ended 31 March 2020:

Clause (vii) (c) of CARO 2016 Order

According to the information and explanation given to us and examination of records of the Company, the outstanding dues of customs duty, on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs. in million) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|----------------|-------------------------|------------------------------------|---|
| Custom Act, 1962 | Custom Duty | 2.65 | July 2009 to August 2009 | Commissioner of Custom, Nhava Sheva |
| Custom Act, 1962 | Custom Duty | 0.34 | January 2014 | Additional Director General (Adjudication), DRI, Mumbai |

As at and for the year ended 31 March 2019:

Clause (vii) (c) of CARO 2016 Order

According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income tax, excise duty, service tax, customs duty on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs. in million) | Period to which the amount relates | Forum where dispute is pending |
|---|----------------------------------|-------------------------|------------------------------------|--|
| Central Excise Act, 1944, Cenvat Credit Rules, 2004, Finance Act 1994 | Service tax credit on commission | 1.38 | Jan 2007 to October 2007 | Additional Commissioner, Central Excise, Customs and Service tax |
| Custom Act, 1962 | Custom Duty | 2.65 | July 2009 to August 2009 | Commissioner of Custom, Nhava Sheva |
| Custom Act, 1962 | Custom Duty | 0.34 | January 2014 | Additional Director General (Adjudication), DRI, Mumbai |
| Income Tax Act, 1961 | Income Tax | 9.50 | AY 2017-18 | Assistant Commissioner of Income Tax, |

Part D: Material Regrouping : None

Appropriate regroupings have been made in the Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Summary Statement of Profit & Loss, Restated Consolidated Summary Statement of Changes in Equity and Restated Consolidated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities, reserves and cashflows, in order to bring them in line with the accounting policies, classification and presentation as per Restated Consolidated Summary Statement of the Group and its associate for the period ended 30th June 2021 prepared in accordance with revised Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

5 PROPERTY, PLANT AND EQUIPMENT

| Particulars | Freehold Land | Leasehold Land | Building | Plant & Machinery | Office Equipment | Motor Vehicles | Furniture & Fixtures | Total |
|---|---------------|----------------|----------|-------------------|------------------|----------------|----------------------|---------|
| Gross block | | | | | | | | |
| As at 1st April 2018 | 10.91 | 39.78 | 204.97 | 412.15 | 5.77 | 23.48 | 11.69 | 708.75 |
| Reclassified as Right of use (Refer note 6) | - | (39.78) | - | - | - | - | - | (39.78) |
| Additions/ Adjustments during 2018-19 | - | - | 4.84 | 49.36 | 1.13 | 6.14 | 2.34 | 63.81 |
| Deduction/ Adjustments during 2018-19 | - | - | - | (2.34) | (0.07) | (0.26) | - | (2.67) |
| As at 31st March 2019 | 10.91 | - | 209.81 | 459.17 | 6.83 | 29.36 | 14.03 | 730.11 |
| Additions/ Adjustments during 2019-20 | - | - | 4.67 | 12.49 | 7.64 | 0.07 | - | 24.87 |
| Deduction/ Adjustments during 2019-20 | - | - | - | (0.12) | (0.01) | (0.08) | - | (0.21) |
| As at 31st March 2020 | 10.91 | - | 214.48 | 471.54 | 14.46 | 29.35 | 14.03 | 754.77 |
| Additions/ Adjustments during 2020-21 | - | - | - | 19.85 | 3.33 | 9.03 | 5.07 | 37.28 |
| Deduction/ Adjustments during 2020-21 | - | - | - | (3.01) | - | - | - | (3.01) |
| As at 31st March 2021 | 10.91 | - | 214.48 | 488.38 | 17.79 | 38.38 | 19.10 | 789.04 |
| Additions/ Adjustments during April 21 to June 21 | - | - | - | 26.02 | 2.20 | 6.05 | 0.19 | 34.46 |
| Deduction/ Adjustments during April 21 to June 21 | - | - | - | (0.03) | - | (0.23) | - | (0.26) |
| As at 30th June 2021 | 10.91 | - | 214.48 | 514.37 | 19.99 | 44.20 | 19.29 | 823.24 |
| Accumulated Depreciation | | | | | | | | |
| Accumulated depreciation as at 1st April 2018 | - | 0.82 | 31.78 | 71.30 | 3.12 | 8.05 | 4.90 | 119.97 |
| Reclassified as Right of use (Refer note 6) | - | (0.82) | - | - | - | - | - | (0.82) |
| For the year 2018-19 | - | - | 15.71 | 40.77 | 1.39 | 5.45 | 2.14 | 65.46 |
| Deductions during 2018-19 | - | - | - | - | (0.05) | (0.10) | - | (0.15) |
| Accumulated depreciation as at 31st March 2019 | - | - | 47.49 | 112.07 | 4.46 | 13.40 | 7.04 | 184.46 |
| For the year 2019-20 | - | - | 14.49 | 39.83 | 2.98 | 4.86 | 1.83 | 63.99 |
| Deductions during 2019-20 | - | - | - | (0.05) | (0.01) | (0.04) | - | (0.10) |
| Accumulated depreciation as at 31st March 2020 | - | - | 61.98 | 151.85 | 7.43 | 18.22 | 8.87 | 248.35 |
| For the year 2020-21 | - | - | 13.59 | 37.75 | 4.00 | 4.57 | 1.42 | 61.33 |
| Deductions during 2020-21 | - | - | - | (1.35) | - | - | - | (1.35) |
| Accumulated depreciation as at 31st March 2021 | - | - | 75.57 | 188.25 | 11.43 | 22.79 | 10.29 | 308.33 |
| For the period April 21 to June 21 | - | - | 3.08 | 8.89 | 0.83 | 1.43 | 0.57 | 14.80 |
| Deductions during April 21 to June 21 | - | - | - | (0.02) | - | (0.15) | - | (0.17) |
| Accumulated depreciation as at 30th June 2021 | - | - | 78.65 | 197.12 | 12.26 | 24.07 | 10.86 | 322.96 |
| Net block | | | | | | | | |
| As at 31st March 2019 | 10.91 | - | 162.32 | 347.10 | 2.37 | 15.96 | 6.99 | 545.65 |
| As at 31st March 2020 | 10.91 | - | 152.50 | 319.69 | 7.03 | 11.13 | 5.16 | 506.42 |
| As at 31st March 2021 | 10.91 | - | 138.91 | 300.13 | 6.36 | 15.59 | 8.81 | 480.71 |
| As at 30th June 2021 | 10.91 | - | 135.83 | 317.25 | 7.73 | 20.13 | 8.43 | 500.28 |

Note 1: There has been no revaluation of any of the items of property, plant and equipment during the period April 2021 to June 2021 (31st March 2021: Nil, 31st March 2020: Nil and 31st March 2019: Nil)

Note 2: Title deeds for all the immovable property held by the Group as at 30th June 2021, 31st March 2021, 31st March 2020 and 31st March 2019 are held in the name of Group.

Note 3: There are no proceedings initiated nor there are any pending proceedings against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 as at 30th June 2021, 31st March 2021, 31st March 2020 and 31st March 2019.

Note 4: Working capital facilities are secured by creation of Second ranking pari passu charge by way of Hypothecation of Movable Fixed Assets and Mortgage of Immovable Properties of the Company.

JESONS INDUSTRIES LIMITED

Annexure VII

Notes to Restated Consolidated Summary Statements

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

6 RIGHT OF USE ASSETS

| Particulars | Right of use - Land | Right of use - Buildings | Right of use - Plant & machinery | Total |
|---|---------------------|--------------------------|----------------------------------|--------|
| Gross block | | | | |
| As at 1st April 2018 | - | - | - | - |
| Reclassified as Right of use (Refer Note 5) | 39.78 | - | - | 39.78 |
| Additions/ Adjustments during 2018-19 | - | - | 70.74 | 70.74 |
| Deduction/ Adjustments during 2018-19 | - | - | - | - |
| As at 31st March 2019 | 39.78 | - | 70.74 | 110.52 |
| Ind AS 116 restatement adjustment | - | - | (0.55) | (0.55) |
| Additions/ Adjustments during 2019-20 | 148.99 | 3.22 | - | 152.21 |
| Deduction/ Adjustments during 2019-20 | - | - | - | - |
| As at 31st March 2020 | 188.77 | 3.22 | 70.19 | 262.18 |
| Additions/ Adjustments during 2020-21 | - | 16.31 | - | 16.31 |
| Deduction/ Adjustments during 2020-21 | - | - | - | - |
| As at 31st March 2021 | 188.77 | 19.53 | 70.19 | 278.49 |
| Additions/ Adjustments during April 21 to June 21 | - | - | - | - |
| Deduction/ Adjustments during April 21 to June 21 | - | - | - | - |
| As at 30th June 2021 | 188.77 | 19.53 | 70.19 | 278.49 |
| Accumulated Depreciation | | | | |
| Accumulated depreciation as at 1st April 2018 | - | - | - | - |
| Reclassified as Right of use (Refer Note 5) | 0.82 | - | - | 0.82 |
| For the year 2018-19 | 0.42 | - | 1.74 | 2.16 |
| Deductions during 2018-19 | - | - | - | - |
| Accumulated depreciation as at 31st March 2019 | 1.24 | - | 1.74 | 2.98 |
| Ind AS 116 restatement adjustment | - | - | (1.74) | (1.74) |
| For the year 2019-20 | 1.93 | 2.57 | 7.20 | 11.70 |
| Deductions during 2019-20 | - | - | - | - |
| Accumulated depreciation as at 31st March 2020 | 3.17 | 2.57 | 7.20 | 12.94 |
| For the year 2020-21 | 5.37 | 1.01 | 7.20 | 13.58 |
| Deductions during 2020-21 | - | - | - | - |
| Accumulated depreciation as at 31st March 2021 | 8.54 | 3.58 | 14.40 | 26.52 |
| For the period April 21 to June 21 | 1.33 | 0.91 | 1.79 | 4.03 |
| Deductions during April 21 to June 21 | - | - | - | - |
| Accumulated depreciation as at 30th June 2021 | 9.87 | 4.49 | 16.19 | 30.55 |
| Net block | | | | |
| As at 31st March 2019 | 38.54 | - | 69.00 | 107.54 |
| As at 31st March 2020 | 185.60 | 0.65 | 62.99 | 249.24 |
| As at 31st March 2021 | 180.23 | 15.95 | 55.79 | 251.97 |
| As at 30th June 2021 | 178.90 | 15.04 | 54.00 | 247.94 |

7 Capital work in progress

| Particulars | Capital work-in-progress |
|---|--------------------------|
| As at 1st April 2018 | 1.89 |
| Additions/ Adjustments during 2018-19 | 0.53 |
| Deduction/ Adjustments during 2018-19 | (1.89) |
| As at 31st March 2019 | 0.53 |
| Additions/ Adjustments during 2019-20 | 88.64 |
| Deduction/ Adjustments during 2019-20 | (0.53) |
| As at 31st March 2020 | 88.64 |
| Additions/ Adjustments during 2020-21 | 585.76 |
| Deduction/ Adjustments during 2020-21 | (11.10) |
| As at 31st March 2021 | 663.30 |
| Additions/ Adjustments during April 21 to June 21 | 135.34 |
| Deduction/ Adjustments during April 21 to June 21 | (23.26) |
| As at 30th June 2021 | 775.38 |

7.1 Ageing schedule for Capital-work-in progress (CWIP) - Based on the requirements of Amended Schedule III

As at 30th June 2021

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 662.51 | 112.87 | - | - | 775.38 |

As at 31st March 2021

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 585.89 | 77.41 | - | - | 663.30 |

As at 31st March 2020

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 88.11 | 0.53 | - | - | 88.64 |

As at 31st March 2019

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 0.53 | - | - | - | 0.53 |

7.2 There are no projects as on each reporting period where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

8 OTHER INTANGIBLE ASSETS

| Particulars | Computer Software |
|---|-------------------|
| Gross block | |
| As at 1st April 2018 | 3.54 |
| Additions/ Adjustments during 2018-19 | 1.86 |
| Deduction/ Adjustments during 2018-19 | - |
| As at 31st March 2019 | 5.40 |
| Additions/ Adjustments during 2019-20 | 0.40 |
| Deduction/ Adjustments during 2019-20 | - |
| As at 31st March 2020 | 5.80 |
| Additions/ Adjustments during 2020-21 | 0.03 |
| Deduction/ Adjustments during 2020-21 | - |
| As at 31st March 2021 | 5.83 |
| Additions/ Adjustments during April 21 to June 21 | - |
| Deduction/ Adjustments during April 21 to June 21 | - |
| As at 30th June 2021 | 5.83 |
| Accumulated amortization | |
| Accumulated amortization as at 1st April 2018 | 2.17 |
| For the year 2018-19 | 0.49 |
| Deductions during 2018-19 | - |
| Accumulated amortization as at 31st March 2019 | 2.66 |
| For the year 2019-20 | 0.73 |
| Deductions during 2019-20 | - |
| Accumulated amortization as at 31st March 2020 | 3.39 |
| For the year 2020-21 | 0.54 |
| Deductions during 2020-21 | - |
| Accumulated amortization as at 31st March 2021 | 3.93 |
| For the period April 21 to June 21 | 0.09 |
| Deductions during April 21 to June 21 | - |
| Accumulated amortization as at 30th June 2021 | 4.02 |
| Net block | |
| As at 31st March 2019 | 2.74 |
| As at 31st March 2020 | 2.41 |
| As at 31st March 2021 | 1.90 |
| As at 30th June 2021 | 1.81 |

8.1 The amortization expense of intangible assets have been included under 'Depreciation and amortization expense' in the Restated Consolidated Summary Statement of Profit and Loss.

9 INVESTMENTS

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| At cost: | | | | |
| Unquoted equity shares (Non-trade) | | | | |
| Investment in Joint Venture <i>[Membership interest units aggregating to 49% (2020: 49% and 2019:49%) of Dura Jesons LLC]</i> | 3.25 | 3.24 | 1.39 | 0.65 |
| <i>Less: Group's share of loss</i> | (1.81) | (1.70) | (1.39) | (0.13) |
| <i>Less: Group's share of unrealised profit on closing stock</i> | - | - | - | (0.04) |
| | 1.44 | 1.54 | - | 0.48 |
| Current | - | - | - | - |
| Non- Current | 1.44 | 1.54 | - | 0.48 |
| | 1.44 | 1.54 | - | 0.48 |
| Aggregate book value of: | | | | |
| Quoted investments | - | - | - | - |
| Unquoted investments | 1.44 | 1.54 | - | 0.48 |
| Aggregate market value of: | | | | |
| Quoted investments | - | - | - | - |
| Unquoted investments | 1.44 | 1.54 | - | 0.48 |
| Aggregate amount of impairment in value of Investments | - | - | - | - |

10 LOANS

| Particulars | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | |
|--------------------------------------|----------------------|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|
| | Non-current | Current | Non-current | Current | Non-current | Current | Non-current | Current |
| Financial assets at amortised cost : | | | | | | | | |
| Unsecured considered good | | | | | | | | |
| Loan to employees | 0.49 | 0.65 | 0.64 | 0.33 | 0.96 | 1.75 | 1.06 | 0.14 |
| Total | 0.49 | 0.65 | 0.64 | 0.33 | 0.96 | 1.75 | 1.06 | 0.14 |

10.1 Loans given to employees as per the Company's policy are not considered for the purpose of disclosure under section 186(4) of the Companies Act, 2013.

11 OTHER FINANCIAL ASSETS

| Particulars | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | |
|--|----------------------|--------------|-----------------------|--------------|-----------------------|--------------|-----------------------|-------------|
| | Non-current | Current | Non-current | Current | Non-current | Current | Non-current | Current |
| Financial assets at amortised cost : | | | | | | | | |
| Security deposits | 20.28 | 1.92 | 18.60 | 1.18 | 17.04 | 0.77 | 15.79 | 0.79 |
| Fixed Deposits with maturity more than 12 months | 0.11 | - | 0.13 | - | 0.13 | - | 0.11 | - |
| Other Advances | - | 48.71 | - | 65.04 | - | 85.45 | - | 9.13 |
| Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss: | | | | | | | | |
| Derivative financial asset | - | 1.72 | - | - | - | 3.14 | - | - |
| Total | 20.39 | 52.35 | 18.73 | 66.22 | 17.17 | 89.36 | 15.90 | 9.92 |

12 NON CURRENT TAX ASSETS (NET)

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Non-current tax assets | 2.11 | 2.03 | 0.56 | 3.76 |
| Total | 2.11 | 2.03 | 0.56 | 3.76 |

13 OTHERS ASSETS - NON FINANCIAL

| Particulars | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | |
|---|----------------------|---------------|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| | Non-current | Current | Non-current | Current | Non-current | Current | Non-current | Current |
| Capital advances | 9.15 | - | 30.43 | - | 55.66 | - | 1.36 | - |
| Advances other than capital advances | | | | | | | | |
| Balance with Government authorities | - | 299.77 | - | 230.73 | - | 237.64 | - | 92.60 |
| Export incentives receivable | - | 0.46 | - | 0.46 | - | 0.32 | - | 0.20 |
| Prepaid expenses | - | 7.83 | 0.28 | 9.41 | - | 10.43 | - | 9.20 |
| Other advances considered good | - | 8.34 | - | 5.40 | - | 11.73 | - | 4.15 |
| Total | 9.15 | 316.40 | 30.71 | 246.00 | 55.66 | 260.12 | 1.36 | 106.15 |

13.1 Other advances mainly include Advances to suppliers, etc.

14 INVENTORIES (valued at lower of cost and net realizable value)

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Raw materials | 1,770.05 | 1,819.79 | 631.21 | 611.45 |
| Packing materials | 29.11 | 15.30 | 11.80 | 7.37 |
| Finished goods | 263.38 | 254.69 | 90.90 | 115.06 |
| Work-in-progress | 106.64 | 62.31 | 32.46 | 34.49 |
| Stock-in-trade | 33.06 | 39.55 | 3.31 | 4.01 |
| Stores and Spares | 0.92 | 0.56 | 0.50 | 0.22 |
| Others | 3.26 | 2.32 | 1.85 | 1.75 |
| Total | 2,206.42 | 2,194.52 | 772.03 | 774.35 |
| Goods in transit (included above) | | | | |
| Raw materials and Packing material | 401.52 | 314.63 | 25.57 | - |
| Finished goods | 134.65 | 118.47 | - | - |

14.1 The Company availed bank facilities which are secured by hypothecation of Inventories, Trade Receivables and other current assets.

14.2 The mode of valuation of inventories is stated in sub-note 1.5 of note 4 of Annexure V.

15 TRADE RECEIVABLES

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|---|----------------------|-----------------------|-----------------------|-----------------------|
| Secured, considered good | 473.45 | 299.49 | 182.60 | 129.17 |
| Unsecured | | | | |
| -considered good | 2,367.64 | 2,561.98 | 1,389.91 | 1,264.58 |
| -which have significant increase in Credit Risk | - | - | - | - |
| -credit impaired | - | - | - | - |
| | 2,841.09 | 2,861.47 | 1,572.51 | 1,393.75 |
| Less : Allowance for expected credit loss | (30.98) | (33.25) | (8.32) | (5.70) |
| Total | 2,810.11 | 2,828.22 | 1,564.19 | 1,388.05 |

15.1 The Group has appropriate level of control procedures for new customers, which ensures the potential customers' credit quality. Credit limits attributed to customers are reviewed periodically by the management.

15.2 No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

15.3 Trade receivables Ageing Schedule:

Outstanding for following periods from due date of payment as at 30th June 2021

| Particulars | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Allowance for expected credit loss | Total |
|--|--------------------|-------------------|-----------|-----------|-------------------|------------------------------------|----------|
| (i) Undisputed Trade receivables - considered good | 2,836.83 | 2.98 | 1.28 | - | - | (30.98) | 2,810.11 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |

Outstanding for following periods from due date of payment as at 31st March 2021

| Particulars | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Allowance for expected credit loss | Total |
|--|--------------------|-------------------|-----------|-----------|-------------------|------------------------------------|----------|
| (i) Undisputed Trade receivables - considered good | 2,858.90 | 0.23 | 2.34 | - | - | (33.25) | 2,828.22 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |

Outstanding for following periods from due date of payment as at 31st March 2020

| Particulars | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Allowance for expected credit loss | Total |
|--|--------------------|-------------------|-----------|-----------|-------------------|------------------------------------|----------|
| (i) Undisputed Trade receivables - considered good | 1,565.94 | 6.05 | - | 0.41 | 0.11 | (8.32) | 1,564.19 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |

Outstanding for following periods from due date of payment as at 31st March 2019

| Particulars | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Allowance for expected credit loss | Total |
|--|--------------------|-------------------|-----------|-----------|-------------------|------------------------------------|----------|
| (i) Undisputed Trade receivables - considered good | 1,385.87 | 5.18 | 1.35 | 0.22 | 1.13 | (5.70) | 1,388.05 |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |

16 CASH AND CASH EQUIVALENTS

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Balances with banks | | | | |
| On current accounts | 64.16 | 203.75 | 81.20 | 13.65 |
| Fixed deposits with original maturity less than 3 months | 15.56 | 11.98 | - | 287.97 |
| Cash on hand | 0.43 | 0.23 | 0.41 | 0.13 |
| Total | 80.15 | 215.96 | 81.61 | 301.75 |

17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Fixed deposits with original maturity more than 3 months but less than 12 months | 7.78 | 15.70 | 0.01 | 0.35 |
| Total | 7.78 | 15.70 | 0.01 | 0.35 |

17.1 The fixed deposit includes interest accrued but not due upto reporting date.

18 EQUITY SHARE CAPITAL

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Authorized : | | | | |
| 15,00,000 (31st March 2021: 15,00,000, 31st March 2020: 15,00,000 and 31st March 2019: 15,00,000) equity shares of ₹100/- each | 150.00 | 150.00 | 150.00 | 150.00 |
| | 150.00 | 150.00 | 150.00 | 150.00 |
| Issued, Subscribed and Paid-up : | | | | |
| 8,93,520 (31st March 2021: 8,93,520, 31st March 2020: 8,93,520 and 31st March 2019: 8,93,520) equity shares of ₹100/- each fully paid-up | 89.35 | 89.35 | 89.35 | 89.35 |
| Total | 89.35 | 89.35 | 89.35 | 89.35 |

18.1 Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

| Particulars | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | |
|---|----------------------|--------|-----------------------|--------|-----------------------|--------|-----------------------|--------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Issued and subscribed : | | | | | | | | |
| Outstanding at the beginning of the period/year | 893,520 | 89.35 | 893,520 | 89.35 | 893,520 | 89.35 | 893,520 | 89.35 |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - |
| Outstanding at the end of the period/year | 893,520 | 89.35 | 893,520 | 89.35 | 893,520 | 89.35 | 893,520 | 89.35 |

18.2 Rights, Preferences and Restrictions attached to Equity Shares :

The Company has only one class of equity shares having par value of ₹ 100 per share. The Equity shares of the Company rank pari-passu in all respects including voting rights and entitlement to dividend. Dividend, if any, declared is payable in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of the interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

18.3 Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company:

| Particulars | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | |
|-------------------------|----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|
| | Number of shares | % of share holding | Number of shares | % of share holding | Number of shares | % of share holding | Number of shares | % of share holding |
| Name of the shareholder | | | | | | | | |
| Dhires Gosalia | 798,020 | 89.31% | 798,020 | 89.31% | 798,020 | 89.31% | 798,020 | 89.31% |
| Madhavi Gosalia | 70,100 | 7.85% | 70,100 | 7.85% | 70,100 | 7.85% | 70,100 | 7.85% |

As per the records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

18.4 Disclosure of shareholding of promoters:

| Name of the shareholder | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | |
|-------------------------|----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|
| | Number of shares | % of share holding | Number of shares | % of share holding | Number of shares | % of share holding | Number of shares | % of share holding |
| Dhires Gosalia * | 798,020 | 89.31% | 798,020 | 89.31% | 798,020 | 89.31% | 798,020 | 89.31% |

*There has been no change in percentage during any of the period/year.

18.5 No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period ended 30th June 2021.

18.6 No class of shares have been bought back by the Company during the period of five years immediately preceding the current year ended 30th June 2021.

18.7 Subsequent to the Balance Sheet date, the Board of Directors at their Meeting held on 2nd August 2021 approved the sub-division of each equity share of face value of Rs. 100/- fully paid up into 20 equity shares face value of Rs. 5/- each fully paid up. The same has been approved by the Members on 20th August 2021 through Extra ordinary General Meeting. Also, the members in its meeting dated 20th August 2021 has approved for increase in the authorised share capital of the Company from existing Rs. 150.00 million divided into 3,00,00,000 equity shares of Rs. 5 each to Rs. 400.00 million divided into 8,00,00,000 equity shares of Rs. 5 each. Further, the Board of Directors has also approved the issue of bonus equity shares in the meeting held on 16th September 2021 in the ratio of 2:1 out of the eligible reserves of the Company.

19 OTHER EQUITY

19.1 Retained earnings

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Opening balance | 2,529.10 | 1,589.93 | 1,328.21 | 1,081.26 |
| Add: Net profit for the current period/year | 542.71 | 928.81 | 296.47 | 247.51 |
| Less: Other comprehensive income/(loss) for the period/year | (0.64) | (1.71) | (2.36) | (0.56) |
| Add/(Less): Share in Surplus/(deficit) in the Statement of Profit and Loss of Non-Controlling interest | 0.21 | 12.07 | (0.98) | - |
| Add: Impact of change in controlling interest without loss of control | 0.89 | - | - | - |
| Add: Impact on account of change in transition date of Ind AS 116 | - | - | 0.89 | - |
| Less: Dividend distributed including dividend distribution tax | - | - | (32.30) | - |
| Closing balance | 3,072.27 | 2,529.10 | 1,589.93 | 1,328.21 |

19.2 General reserve

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|-----------------|----------------------|-----------------------|-----------------------|-----------------------|
| Opening balance | 5.43 | 5.43 | 5.43 | 5.43 |
| Closing balance | 5.43 | 5.43 | 5.43 | 5.43 |

19.3 Capital contribution

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--------------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Opening balance | 4.49 | 4.49 | 4.49 | 6.40 |
| Less: Adjusted during the year | - | - | - | (1.91) |
| Closing balance | 4.49 | 4.49 | 4.49 | 4.49 |

| | | | | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| Total other equity | 3,082.19 | 2,539.02 | 1,599.85 | 1,338.13 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|

Description of the nature and purpose of other equity:

Retained Earnings: This Reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Group in accordance with the provisions of the Companies Act, 2013.

Capital Contribution: Under Indian GAAP, interest free borrowing obtained from related party are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be initially recognized at fair value. Accordingly, the Company has fair valued these interest free loans under Ind AS initially. Difference between the fair value and transaction value of the loan amount has been recognized as capital contribution given that the amount is borrowed from the shareholder.

20 BORROWINGS

| Particulars | Notes | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | |
|--|-------------|----------------------|-----------------|-----------------------|---------------|-----------------------|---------------|-----------------------|-------------|
| | | Non-current | Current | Non-current | Current | Non-current | Current | Non-current | Current |
| Carried at amortised cost : | | | | | | | | | |
| Secured borrowings from banks : | | | | | | | | | |
| Term loan | 20.1 | 355.37 | - | 363.74 | - | - | - | - | - |
| Vehicle loan | 20.3 | 3.03 | - | 3.61 | - | 1.07 | - | 2.40 | - |
| Working capital loans from banks | 20.2 & 20.4 | - | 697.31 | - | 105.41 | - | 198.35 | - | - |
| Current Maturity of Long term loans | 20.1 & 20.3 | - | 69.44 | - | 45.87 | - | 1.33 | - | 4.68 |
| Other current borrowings | 20.2 & 20.4 | - | 403.15 | - | 263.72 | - | 254.00 | - | - |
| Total | | 358.40 | 1,169.90 | 367.35 | 415.00 | 1.07 | 453.68 | 2.40 | 4.68 |

20.1 **Term Loan from HDFC Bank:**

The subsidiary has obtained secured term loan from HDFC Bank Rs. 424.74 million (including interest accrued but not due) with total sanction limit of 422.00 million (31st March 2021: 409.22 million, 31st March 2020: Nil and 31st March 2019: Nil) against movable and immovable fixed assets of the subsidiary, exclusive charge on plant and machinery and factory land and building located at Mundra SEZ both present and future, Corporate guarantee of Jesons Industries Limited, Personal Guarantee of Mr. Dhresh Gosalia and exclusive charge on current assets of the subsidiary, both present and future. The loan is repayable by way of quarterly instalments until May 2026.

20.2 **Working loan from Axis Bank :**

The working capital loan of Rs 500.00 million (31st March 2021: 500.00 million, 31st March 2020: Nil and 31st March 2019: Nil) which includes cash credit facility from Axis bank, are secured by hypothecation of current assets of the Company, both present and future, second charge on movable and Immovable fixed assets located at SEZ in Gujarat, Personal Guarantee of Mr. Dhresh Gosalia. No facility is availed as at 31st March 2021 from the bank.

20.3 **Vehicle Loan From Banks:**

Secured against Hypothecation of motor vehicles of the Company for which the loans have been availed. The vehicle loan outstanding in the current period is repayable until October 2023. The interest rate ranges from 8-9% p.a..

20.4 The current borrowings are secured by first ranking pari passu charge created by hypothecation of current assets and second ranking pari passu charge by hypothecation of movable fixed assets and mortgage of immovable properties of the Company and personal guarantees of Managing director and Executive Director.

20.5 The Group has created satisfactory charges for all the borrowing with Registrar of Companies within the statutory period.

20.6 The Group has filed its quarterly return with bank for the quarter ended June 30, 2021 and the same is in agreement with books of accounts. The said disclosure requirement is applicable for the period beginning on or after 1st April 2021 and accordingly, details for previous filings were not maintained.

21 OTHER FINANCIAL LIABILITIES

| Particulars | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | | |
|--|----------------------|---------------|-----------------------|--------------|-----------------------|--------------|-----------------------|--------------|--|
| | Non-current | Current | Non-current | Current | Non-current | Current | Non-current | Current | |
| Carried at amortised cost: | | | | | | | | | |
| Book overdraft | - | - | - | - | - | 1.34 | - | - | |
| Salary and Wages | - | 37.10 | - | 33.68 | - | 28.44 | - | 27.26 | |
| Payable for Capital goods | - | 15.98 | - | 12.99 | - | 9.66 | - | - | |
| Financial guarantee liability | - | - | - | - | - | - | - | - | |
| Retention Money | 5.13 | - | - | - | - | - | - | - | |
| Payable to Partners towards buyout of its share in LLP* | - | 44.01 | - | - | - | - | - | - | |
| Other Payables | - | 98.36 | - | 27.86 | - | 10.96 | - | 12.38 | |
| Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss | | | | | | | | | |
| Derivative financial liability | - | - | - | 2.14 | - | - | - | 8.14 | |
| Total other financial liabilities | 5.13 | 195.45 | - | 76.67 | - | 50.40 | - | 47.78 | |

*Jesons Industries Limited has purchased 14% shares of Jeson Techno Polymers LLP from Mr. Dhresh Gosalia wide agreement dated 1st April 2021. Accordingly, with effect from 1st April 2021, the capital contribution of Jesons Industries Limited and Dhresh Gosalia is 99:1. The amount payable to Mr. Dhresh Gosalia is Rs. 44.01 million after absorbing his share of losses till 31st March 2021.

22 PROVISIONS

| Particulars | As at 30th June 2021 | | As at 31st March 2021 | | As at 31st March 2020 | | As at 31st March 2019 | |
|--|----------------------|--------------|-----------------------|--------------|-----------------------|-------------|-----------------------|-------------|
| | Non-current | Current | Non-current | Current | Non-current | Current | Non-current | Current |
| Provision for employee benefits | | | | | | | | |
| Gratuity (funded) | - | 1.69 | - | 5.07 | - | 4.59 | - | 2.09 |
| Provision for leave encashment | 14.32 | 10.35 | 8.21 | 9.54 | - | 1.34 | - | 1.21 |
| Total provisions | 14.32 | 12.04 | 8.21 | 14.61 | - | 5.93 | - | 3.30 |

23 TRADE PAYABLES

| Particulars | Notes | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|-------|----------------------|-----------------------|-----------------------|-----------------------|
| (A) Total outstanding dues of micro enterprise and small enterprises | 23.1 | 9.95 | 26.73 | 11.80 | 2.16 |
| (B) Total outstanding dues of creditors other than micro enterprises | | 1,773.49 | 3,188.65 | 1,284.84 | 1,638.80 |
| Total trade payables | | 1,783.44 | 3,215.38 | 1,296.64 | 1,640.96 |

- 23.1 According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| 1. (a) Principal amount remaining unpaid to any supplier registered under the MSMED Act, as at the end of the year | 9.95 | 26.73 | 11.80 | 2.16 |
| (b) Interest on 1(a) above | - | - | - | 0.00 |
| 2. (a) The amount of principal paid beyond the appointed date | - | - | - | 8.62 |
| (b) The amount of interest paid beyond the appointed date | - | - | - | - |
| 3. Interest due and payable on delayed payments | - | - | - | 0.08 |
| 4. Interest accrued and remaining unpaid as at year end | - | - | - | 0.08 |
| 5. Interest due and payable even in the succeeding year | - | - | - | - |

23.2 Trade payables ageing schedule**Outstanding for following periods from due date of payment as at 30th June 2021**

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|-----------------------------|------------------|-----------|-----------|-------------------|----------|
| (i) MSME | 9.95 | - | - | - | 9.95 |
| (ii) Others | 1,771.14 | 0.36 | 0.31 | 1.68 | 1,773.49 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Outstanding for following periods from due date of payment as at 31st March 2021

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|-----------------------------|------------------|-----------|-----------|-------------------|----------|
| (i) MSME | 26.73 | - | - | - | 26.73 |
| (ii) Others | 3,186.51 | 0.35 | 0.31 | 1.48 | 3,188.65 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Outstanding for following periods from due date of payment as at 31st March 2020

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|-----------------------------|------------------|-----------|-----------|-------------------|----------|
| (i) MSME | 11.80 | - | - | - | 11.80 |
| (ii) Others | 1,280.87 | 0.55 | 1.90 | 1.52 | 1,284.84 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Outstanding for following periods from due date of payment as at 31st March 2019

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|-----------------------------|------------------|-----------|-----------|-------------------|----------|
| (i) MSME | 2.16 | - | - | - | 2.16 |
| (ii) Others | 1,635.33 | 1.68 | 1.79 | - | 1,638.80 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

24 OTHER CURRENT LIABILITIES

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|---|----------------------|-----------------------|-----------------------|-----------------------|
| Statutory dues payable | 10.05 | 8.74 | 6.04 | 5.72 |
| Contribution to provident fund | 0.79 | 0.71 | 1.28 | 0.42 |
| Contract liability (advance from customers) | 33.54 | 21.28 | 12.15 | 5.24 |
| Total other current liabilities | 44.38 | 30.73 | 19.47 | 11.38 |

25 CURRENT TAX LIABILITIES (NET)

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Current tax Provision [Net of advance tax ₹ 42.71 million (31st March 2021: ₹ 363.05 million, 31st March 2020: ₹ 96.16 million and 31st March 2019: Rs. 110.74 million)] | 149.09 | 83.37 | 8.05 | 18.60 |
| Total current tax liabilities | 149.09 | 83.37 | 8.05 | 18.60 |

26 REVENUE FROM OPERATIONS

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--------------------------------------|--|------------------------------------|------------------------------------|------------------------------------|
| Sale of goods - Domestic | 2,775.67 | 7,928.32 | 6,741.33 | 7,281.70 |
| Sale of goods - Export | 1,575.36 | 2,872.72 | 2,205.32 | 1,830.73 |
| | 4,351.03 | 10,801.04 | 8,946.65 | 9,112.43 |
| Other operating revenue | | | | |
| Export incentives | 30.15 | 48.42 | 54.79 | 58.75 |
| Income from job work | 2.54 | 5.80 | 11.12 | 3.88 |
| Scrap sales | 0.56 | 1.91 | 1.15 | 1.88 |
| Total revenue from operations | 4,384.28 | 10,857.17 | 9,013.71 | 9,176.94 |

26.1 Revenue from contracts with customers disaggregated based on Geography

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|--|------------------------------------|------------------------------------|------------------------------------|
| Domestic | 2,775.67 | 7,928.32 | 6,741.33 | 7,281.70 |
| Export | 1,575.36 | 2,872.72 | 2,205.32 | 1,830.73 |
| Total Revenue as per IND AS 115 | 4,351.03 | 10,801.04 | 8,946.65 | 9,112.43 |

26.2 Reconciliation of gross revenue with the revenue from contracts with customers

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Gross revenue | 4,372.80 | 10,893.67 | 9,034.52 | 9,180.49 |
| Less: Discounts | (15.30) | (78.00) | (68.92) | (61.44) |
| Less: Sales returns | (6.47) | (14.63) | (18.95) | (6.62) |
| Total revenue from contract with customers | 4,351.03 | 10,801.04 | 8,946.65 | 9,112.43 |

26.3 Timing of revenue recognition

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| At a point in time | 4,351.03 | 10,801.04 | 8,946.65 | 9,112.43 |
| Transferred over time | - | - | - | - |
| Total revenue from contract with customers | 4,351.03 | 10,801.04 | 8,946.65 | 9,112.43 |

26.4 Contract Balances

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Contract liabilities: | | | | |
| Advance from customers | 33.54 | 21.28 | 12.15 | 5.24 |
| Total | 33.54 | 21.28 | 12.15 | 5.24 |
| Receivables: | | | | |
| Trade receivables | 2,841.09 | 2,861.47 | 1,572.51 | 1,393.75 |
| Less: allowance for expected credit loss | (30.98) | (33.25) | (8.32) | (5.70) |
| Net receivables | 2,810.11 | 2,828.22 | 1,564.19 | 1,388.05 |

27 OTHER INCOME

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Interest income on financial assets at amortised cost | 0.64 | 8.21 | 12.14 | 5.41 |
| Foreign exchange gain/(loss) - (Net) | 51.29 | 92.59 | 56.93 | 53.53 |
| Profit on sale of Property, Plant and Equipment (Net) | 0.27 | - | 0.03 | - |
| Other miscellaneous income | 1.59 | 7.52 | 4.59 | 1.44 |
| Total other income | 53.79 | 108.32 | 73.69 | 60.38 |

28 COST OF MATERIAL CONSUMED

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Raw materials and Packing materials | | | | |
| At the beginning | 1,835.65 | 643.51 | 619.04 | 570.56 |
| Add: Purchase and expenses | 2,891.75 | 8,625.04 | 6,687.79 | 7,085.02 |
| Less: At the end | (1,800.08) | (1,835.65) | (643.51) | (619.04) |
| Cost of raw materials and packing materials consumed | 2,927.32 | 7,432.90 | 6,663.32 | 7,036.54 |

29 PURCHASE OF STOCK-IN-TRADE

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Purchase of Stock-in-trade | 333.70 | 1,140.20 | 933.82 | 1,006.24 |
| Total Purchase of Stock-in-trade | 333.70 | 1,140.20 | 933.82 | 1,006.24 |

30 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Stock at the beginning of the year | | | | |
| -Finished goods | 254.69 | 90.90 | 115.06 | 93.64 |
| -Work-in-progress | 62.31 | 32.46 | 34.49 | 20.69 |
| -Stock in trade | 39.55 | 3.31 | 4.01 | 0.78 |
| | 356.55 | 126.67 | 153.56 | 115.11 |
| Less: Stock at the end of the year | | | | |
| -Finished goods | 263.38 | 254.69 | 90.90 | 115.06 |
| -Work-in-progress | 106.64 | 62.31 | 32.46 | 34.49 |
| -Stock in trade | 33.06 | 39.55 | 3.31 | 4.01 |
| | 403.08 | 356.55 | 126.67 | 153.56 |
| Net (increase) / decrease in inventory | (46.53) | (229.88) | 26.89 | (38.45) |

31 EMPLOYEE BENEFITS EXPENSE

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Salaries, wages & bonus | 78.54 | 258.11 | 210.62 | 183.74 |
| Director remuneration | 15.31 | 61.38 | 60.85 | 67.30 |
| Contribution to provident and other funds (Refer note 37.1) | 2.72 | 9.35 | 8.31 | 6.17 |
| Gratuity (Refer note 37.2) | 0.83 | 2.79 | 2.11 | 1.90 |
| Workmen and staff welfare expenses | 1.02 | 3.27 | 6.05 | 5.33 |
| Total employee benefits expense | 98.42 | 334.90 | 287.94 | 264.44 |

32 FINANCE COSTS

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|--|------------------------------------|------------------------------------|------------------------------------|
| Interest expense for financial liabilities at amortised cost | 6.48 | 5.90 | 8.36 | 37.04 |
| Interest on lease liabilities | 2.84 | 10.48 | 8.23 | 1.77 |
| Interest on customs duty | 0.03 | 13.20 | 9.31 | 2.44 |
| Forward premium charges | 14.33 | 11.87 | 21.87 | 22.11 |
| Other borrowing costs | 14.49 | 18.66 | 36.75 | 33.83 |
| Total finance costs | 38.17 | 60.11 | 84.52 | 97.19 |

33 DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|--|------------------------------------|------------------------------------|------------------------------------|
| Depreciation on Property, Plant and Equipment | 14.80 | 61.33 | 63.99 | 65.46 |
| Depreciation on Right of use of assets | 4.03 | 13.58 | 11.70 | 2.16 |
| Amortisation of other intangible assets | 0.09 | 0.54 | 0.73 | 0.49 |
| Total depreciation and amortisation expense | 18.92 | 75.45 | 76.42 | 68.11 |

34 OTHER EXPENSES

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|--|------------------------------------|------------------------------------|------------------------------------|
| Outward freight and handling charges | 214.43 | 483.40 | 279.87 | 168.43 |
| Power & fuel | 14.01 | 44.53 | 41.61 | 41.25 |
| Job Work Charges | 23.66 | 69.76 | 40.61 | 3.17 |
| Legal and Professional Fees | 28.87 | 38.46 | 60.01 | 39.58 |
| Bad debts written off | - | 63.49 | 19.63 | 30.49 |
| Commission on Sales | 9.99 | 35.82 | 30.81 | 28.32 |
| Repairs and maintenance | 7.92 | 23.21 | 22.56 | 22.71 |
| Travelling and Conveyance expenses | 2.21 | 10.37 | 24.32 | 22.72 |
| Rates and taxes | 3.50 | 5.70 | 18.89 | 4.59 |
| Insurance Charges | 7.38 | 21.10 | 14.44 | 9.75 |
| Rent (Refer note 38) | 4.16 | 12.75 | 9.83 | 9.81 |
| Exhibition, Sponsorship and other sales promotion expenses | 0.06 | 0.98 | 9.38 | 3.29 |
| Water Charges | 2.57 | 9.39 | 8.70 | 9.28 |
| CSR Contribution (Refer note 34.1) | 0.14 | 7.86 | 7.74 | 6.08 |
| Communication expenses | 2.20 | 6.79 | 6.91 | 5.76 |
| Consumption of stores, spares & consumables | 1.27 | 4.06 | 4.77 | 3.04 |
| Security Charges | 0.93 | 3.05 | 2.62 | 2.39 |
| Net impairment losses on financial assets | (2.27) | 24.93 | 2.62 | 0.34 |
| Printing and stationery | 0.74 | 1.90 | 2.26 | 2.15 |
| Audit fees (Refer note 34.2) | 2.05 | 1.83 | 1.48 | 2.47 |
| Directors Sitting Fees | 0.01 | 0.07 | 0.05 | 0.06 |
| Donations | 0.01 | 0.08 | 0.05 | 0.04 |
| Loss on sale of Property, Plant and Equipment (Net) | - | 0.05 | - | 0.19 |
| Miscellaneous expenses | 10.29 | 21.24 | 17.66 | 13.52 |
| Total other expenses | 334.13 | 890.82 | 626.82 | 429.43 |

34.1 The Company has spent ₹ 3.43 million during the period April 2021 to June 2021 (2020-21: ₹ 7.86 million, 2019-20: ₹ 7.74 million and 2018-19: ₹ 6.08 million) towards various activities of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|--|------------------------------------|------------------------------------|------------------------------------|
| a) Gross amount required to be spent by the Company during the period/year | 3.43 | 7.86 | 7.37 | 5.87 |
| b) Amounts spent during the period/year on : | | | | |
| - Promotion of Education | 0.03 | 1.77 | 2.82 | 3.66 |
| - Prime Minister National Relief Fund | - | 2.40 | 3.80 | 1.60 |
| - Contribution made to a Trust controlled by the Group | - | - | - | - |
| - Others | 0.11 | 3.69 | 1.12 | 0.82 |
| - Shortfall * | 3.29 | - | - | - |
| Total | 3.43 | 7.86 | 7.74 | 6.08 |

* For June 30, 2021, excess/short spent to be determined at the end of the financial year

34.2 The following is the break-up of Auditors remuneration (exclusive of applicable taxes)

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---------------------------|--|------------------------------------|------------------------------------|------------------------------------|
| As auditor: | | | | |
| Statutory audit | 0.57 | 1.60 | 1.10 | 1.30 |
| In other capacity: | | | | |
| Other matters | 1.48 | 0.23 | 0.38 | 1.17 |
| Total | 2.05 | 1.83 | 1.48 | 2.47 |

35 INCOME TAX

35.1 DEFERRED TAX LIABILITIES (NET)

| Particulars | Expenses allowed on payment basis (Net) | On fair value of financial instruments | On property, plant and equipment | On loan from Related Party | Provision for Employee Benefits | Deferred tax (asset) / liability, Net |
|--|---|--|----------------------------------|----------------------------|---------------------------------|---------------------------------------|
| As at 1st April 2018 | (0.30) | 0.04 | 38.58 | 1.11 | - | 39.43 |
| Charge/ (credit) to Profit and Loss | 0.40 | (2.00) | (3.76) | (0.11) | - | (5.47) |
| Charge/ (credit) to Capital Contribution | - | - | - | (1.00) | - | (1.00) |
| As at 31st March 2019 | 0.10 | (1.96) | 34.82 | - | - | 32.96 |
| Ind AS 116 restatement adjustment | - | - | 0.30 | - | - | 0.30 |
| As at 1st April 2019 | 0.10 | (1.96) | 35.12 | - | - | 33.26 |
| Charge/ (credit) to Profit and Loss | (0.15) | 0.35 | (13.27) | - | - | (13.07) |
| Charge/ (credit) to Capital Contribution | - | - | (1.20) | - | - | (1.20) |
| As at 31st March 2020 | (0.05) | (1.61) | 20.65 | - | - | 18.99 |
| Charge/ (credit) to Profit and Loss | (1.12) | (7.51) | (0.30) | - | (4.44) | (13.37) |
| As at 31st March 2021 | (1.17) | (9.12) | 20.35 | - | (4.44) | 5.62 |
| Charge/ (credit) to Profit and Loss | 0.07 | 1.58 | (0.74) | - | (1.59) | (0.68) |
| As at 30th June 2021 | (1.10) | (7.54) | 19.61 | - | (6.03) | 4.94 |

35.2 INCOME TAX RECOGNISED IN STATEMENT OF PROFIT OR LOSS

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|-----------------------------------|--|------------------------------------|------------------------------------|------------------------------------|
| Current tax | | | | |
| In respect of current period/year | 191.80 | 446.42 | 104.21 | 129.34 |
| In respect of prior period/year | - | (101.18) | - | 2.31 |
| Deferred tax benefit | (0.68) | (13.37) | (14.27) | (5.47) |
| Total income tax expense | 191.12 | 331.87 | 89.94 | 126.18 |

35.3 INCOME TAX RECOGNISED/(CREDITED) IN OTHER COMPREHENSIVE INCOME

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|-----------------------------------|--|------------------------------------|------------------------------------|------------------------------------|
| In respect of current period/year | (0.19) | (0.57) | (0.78) | (0.30) |
| Total | (0.19) | (0.57) | (0.78) | (0.30) |

35.4 THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSE AT TAX RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT OR LOSS IS AS FOLLOWS:

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Profit before tax | 733.94 | 1,260.99 | 387.67 | 373.82 |
| Applicable Income tax rate | 25.17% | 25.17% | 25.17% | 34.94% |
| Income tax expense at tax rate applicable | 184.72 | 317.37 | 97.57 | 130.63 |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax | | | | |
| Effect of expenses/provision not deductible in determining taxable profit | 0.89 | 2.02 | 1.95 | (4.05) |
| Effect of change in effective tax rate | - | - | (10.14) | - |
| Impact on account of prior years taxation | - | - | - | 2.34 |
| Interest expense u/s 234C | - | 5.05 | 0.15 | 1.64 |
| Impact on account indexed cost of acquisition under Income Tax Act | 3.10 | 3.10 | (0.21) | (0.15) |
| Other | 2.41 | 4.33 | 0.62 | (4.23) |
| Income tax expense | 191.12 | 331.87 | 89.94 | 126.18 |
| Effective tax rate | 26.04% | 26.32% | 23.20% | 33.75% |

36 EARNING PER SHARE (EPS)

Basic and diluted earnings per share

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|--|------------------------------------|------------------------------------|------------------------------------|
| Before share split and bonus issue | | | | |
| Profits attributable to equity holders | 542.92 | 940.88 | 295.49 | 247.51 |
| Weighted average number of Ordinary (Equity) Shares for basic / diluted EPS | 893,520 | 893,520 | 893,520 | 893,520 |
| Basic and Diluted earnings per share of face value ₹ 100 (in ₹) (Earnings per share for the three months period ended 30th June 2021 are not annualised) | 607.62 | 1,053.00 | 330.70 | 277.01 |
| After share split and bonus issue | | | | |
| Weighted average number of Ordinary (Equity) Shares for basic / diluted EPS outstanding during the period/year | 893,520 | 893,520 | 893,520 | 893,520 |
| Add: impact of share split | 16,976,880 | 16,976,880 | 16,976,880 | 16,976,880 |
| Add: impact of bonus issue | 35,740,800 | 35,740,800 | 35,740,800 | 35,740,800 |
| Weighted average number of Ordinary (Equity) Shares for basic / diluted EPS outstanding during the period/year after share split and bonus issue | 53,611,200 | 53,611,200 | 53,611,200 | 53,611,200 |
| Basic and Diluted earnings per share of face value ₹ 5 (in ₹) (Earnings per share for the three months period ended 30th June 2021 are not annualised) - after share split and bonus issue | 10.13 | 17.55 | 5.51 | 4.62 |

Note: The Board of Directors at their Meeting held on 2nd August 2021 approved the sub-division of each equity share of face value of Rs. 100/- fully paid up into 20 equity shares face value of Rs. 5/- each fully paid up. The same has been approved by the Members on 20th August 2021 through Extra ordinary General Meeting i.e. after the reporting period but before the Restated Consolidated Summary Statements approval, therefore effective date for the sub-division was 20th August 2021. Further, the Board of Directors has also approved the issue of bonus equity shares in the meeting held on 16th September 2021 in the ratio of 2:1 out of the eligible reserves of the Company. Accordingly, in compliance with IND AS 33 "Earnings per share" and read with Ind AS 10 "Events after Reporting Period", the disclosure of earnings per share for the three months period ended 30th June 2021 as well as for the year ended 31st March 2021, 31st March 2020 and 31st March 2019 has been arrived at after giving effect to the above sub-division as well as bonus issue.

37 EMPLOYEE BENEFITS

37.1 Defined Contribution Plans

The Group makes contributions towards Provident Fund and Employee's State Insurance Corporation (ESIC) for qualifying employees. During the year, the Group has recognized the following amounts included in Employee benefit expenses in the restated Consolidated Summary statement of profit and loss:

| Particulars | For three months period ended 30th June 2021 | For the year ended 31st March 2021 | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|------------------------------------|------------------------------------|------------------------------------|
| Contribution to Provident and other Funds | 2.72 | 9.35 | 8.31 | 6.17 |

37.2 Defined benefit plans

a) Gratuity plan

Gratuity is payable to all eligible employees of the Group on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Group. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. Change in liability (if any) due to this scheme change is recognised as past service cost.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962. The Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

i) Actuarial assumptions

| Particulars | Gratuity | | | |
|---|---|--|--|-----------------|
| | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
| Discount rate | 6.90% | 6.93% | 6.84% | 7.79% |
| Attrition rate | For service 4 years and below 10% p.a. & thereafter 2% p.a. | | | |
| Average salary escalation rate | 5.50% | 3.00% p.a. for the next 1 year, 5.50% p.a. from the 2nd year | 0.00% p.a. for the next year, 3.00% p.a. from the 2nd year, 5.50% p.a. from the 3rd year and onwards | 5.00% |
| Expected Return on Plan Assets | 6.90% | 6.93% | 6.84% | 7.79% |
| Mortality rate during employment | Indian assured lives mortality (2012-14) Urban | Indian assured lives mortality (2006-08) Ult | | |
| Expected average future service (years) | 17 | 17 | 17 | 17 |

The estimate of future salary escalation, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii) Changes in the present value of defined benefit obligation

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|--|----------------|-----------------|-----------------|-----------------|
| Present value of defined benefit obligation at the beginning of the period/year | 32.26 | 26.39 | 20.56 | 17.29 |
| Interest cost | 0.56 | 1.80 | 1.60 | 1.36 |
| Past service cost | - | - | - | - |
| Current service cost | 0.74 | 2.43 | 1.89 | 1.70 |
| Benefits paid | (0.11) | (0.52) | (0.58) | (0.48) |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 0.10 | (0.29) | 1.05 | 0.12 |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | 0.66 | 2.45 | 1.87 | 0.57 |
| Present value of defined benefit obligation at the end of the period/year | 34.21 | 32.26 | 26.39 | 20.56 |

iii) Changes in the fair value of plan assets

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|---|----------------|-----------------|-----------------|-----------------|
| Fair Value of plan assets at the beginning of the period/year | 27.19 | 21.12 | 17.78 | 14.76 |
| Interest income | 0.47 | 1.44 | 1.38 | 1.16 |
| Contributions by the employer | 5.04 | 5.27 | 2.76 | 2.51 |
| Benefits paid | (0.11) | (0.52) | (0.58) | (0.48) |
| Return on plan assets (excluding interest income) | (0.07) | (0.12) | (0.22) | (0.17) |
| Fair value of plan assets at the end of the period/year | 32.52 | 27.19 | 21.12 | 17.78 |

iv) Expense recognized in the Statement of Profit and Loss

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|--|----------------|-----------------|-----------------|-----------------|
| Current service cost | 0.74 | 2.43 | 1.89 | 1.70 |
| Past service cost | - | - | - | - |
| Interest cost | 0.09 | 0.36 | 0.22 | 0.20 |
| Total expenses recognized in the Statement Profit and Loss | 0.83 | 2.79 | 2.11 | 1.90 |

v) Expense recognized in the Other comprehensive income (OCI)

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|---|----------------|-----------------|-----------------|-----------------|
| Actuarial (gains)/losses on obligation | 0.76 | 2.16 | 2.92 | 0.69 |
| Return on plan assets (excluding interest income) | 0.07 | 0.12 | 0.22 | 0.17 |
| Net (income)/expense recognised in OCI | 0.83 | 2.28 | 3.14 | 0.86 |

vi) Net assets / (liabilities) recognized in the Balance Sheet

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|---|----------------|-----------------|-----------------|-----------------|
| Present value of benefit obligation as at the end of the year | (34.21) | (32.26) | (26.39) | (20.56) |
| Fair Value of Plan Assets at the end of the year | 32.52 | 27.19 | 21.12 | 17.78 |
| Payments | - | - | 0.68 | 0.69 |
| Net asset /(liability) recognized in the Balance Sheet* | (1.69) | (5.07) | (4.59) | (2.09) |

*Included in provision for employee benefits (Refer Note 22)

vii) Expected contribution to the fund in the next year

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|-------------|----------------|-----------------|-----------------|-----------------|
| Gratuity | 4.59 | 7.75 | 7.64 | 4.66 |

viii) Major Category of Plan Assets as a % of the Total Plan Assets

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|------------------------|----------------|-----------------|-----------------|-----------------|
| Insurer managed funds* | 100% | 100% | 100% | 100% |

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

ix) A quantitative sensitivity analysis for significant assumption is as shown below:

The Sensitivity Analysis below have been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the project benefit obligation as recognised in the balance sheet. There was no changes in the methods and assumptions used in preparing the sensitivity analysis from prior years.

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|---|----------------|-----------------|-----------------|-----------------|
| Impact on defined benefit obligation | | | | |
| <i>Rate of discounting</i> | | | | |
| 1% increase | (3.14) | (2.96) | (2.44) | (1.91) |
| 1% decrease | 3.75 | 3.53 | 2.92 | 2.27 |
| <i>Rate of increase in salary</i> | | | | |
| 1% increase | 3.19 | 3.06 | 2.46 | 1.91 |
| 1% decrease | (2.80) | (2.62) | (1.93) | (1.67) |
| <i>Rate of Attrition</i> | | | | |
| 1% increase | 0.74 | 0.66 | 0.63 | 0.52 |
| 1% decrease | (0.85) | (0.76) | (0.72) | (0.60) |

x) Maturity profile of defined benefit obligation

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|--------------------|----------------|-----------------|-----------------|-----------------|
| 1st following year | 5.47 | 5.04 | 3.03 | 0.78 |
| 2nd following year | 1.48 | 1.24 | 0.76 | 0.72 |
| 3rd following year | 0.96 | 1.44 | 2.78 | 2.52 |
| 4th following year | 2.75 | 2.64 | 1.20 | 2.49 |
| 5th year onwards | 74.16 | 70.19 | 57.51 | 52.19 |

xi) Qualitative disclosures

Characteristics of defined benefit plan

The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contribution to be made to a separately administered fund. The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:-

i) Interest rate risk

A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

ii) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

iii) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

iv) Asset Liability Matching risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

v) Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

vi) Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

vii) Para 139 (c) Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements

viii) Para 147 (a)

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

37.3 Social Security Code 2020:

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

38 Leases

Maturity analysis of lease liabilities

The Group has adopted modified retrospective approach as per para C8 (c) (ii) of Ind AS 116 - Leases, effective from April 1, 2018.

The Group leases land, buildings and equipments. On the initial date of application, the Group has recognised right of use assets (an amount equal to the lease liability) of ₹ Nil as at April 1, 2018 and net carrying value of assets under the finance lease ₹ 39.78 million (gross carrying and accumulated depreciation value of ₹ 39.78 million and ₹ 0.82 million, respectively) have been reclassified from property, plant and equipment to right-of-use assets. For asset class wise breakup of lease assets recognised at beginning of year, refer Note 6. Also, there were no significant amounts of other financial liabilities in line with Ind AS 17 to be reclassified as lease liabilities with respect to this lease.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the lease's incremental borrowing rate as of April 1, 2018. The weighted average incremental borrowing rate used by the Group to discount the gross lease liabilities as on April 1, 2018 was 8.5%-10%.

Amounts recognised in the Statement of Profit and Loss:

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|---|----------------|-----------------|-----------------|-----------------|
| (i) Depreciation charge on Right-of-use assets (Refer Notes 6 and 33) | 4.03 | 13.58 | 11.70 | 2.16 |
| (ii) Interest expense for lease liabilities (Refer Note 32) | 2.84 | 10.48 | 8.23 | 1.77 |
| (iii) Rent expense (Refer Note 34) | | | | |
| - Expenses for short-term leases | 4.16 | 12.75 | 9.83 | 9.81 |

Amounts recognised in the Statement of Cash Flow:

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|------------------------------|----------------|-----------------|-----------------|-----------------|
| Payment of lease liabilities | 6.70 | 14.50 | 13.36 | 2.32 |

Other disclosures:**(i) Lease liabilities:**

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|-------------------------------|----------------|-----------------|-----------------|-----------------|
| Current lease liabilities | 7.21 | 10.82 | 12.00 | 2.47 |
| Non-current lease liabilities | 113.21 | 113.44 | 99.97 | 67.72 |
| | 120.42 | 124.26 | 111.97 | 70.19 |

For maturity profile of Lease liabilities - Refer Note 49.2.

(ii) Additions to the right-of-use assets and carrying values of right-of-use assets as at end of reporting period are disclosed in Note 6.

39 CONTINGENT LIABILITY AND COMMITMENTS

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|--|----------------|-----------------|-----------------|-----------------|
| Contingent Liabilities not provided for in respect of - | | | | |
| Claims against the Group not acknowledged as debts comprise of claims disputed by the Group relating to issues of applicability, classification, deductibility, etc: | | | | |
| i. Service Tax credit on commission | - | - | - | 1.38 |
| ii. Custom Duty | 16.66 | 16.66 | 3.00 | 3.00 |
| iii. Income Tax | - | - | - | 9.50 |
| iv. Bank Guarantee | 6.94 | - | - | - |
| Capital Commitments - | | | | |
| Estimated value of contracts for property, plant and equipment remaining to be executed and not provided for (net of capital advances) | 41.81 | 56.28 | 214.50 | 5.87 |
| Uncalled amount on account of member's interest in Dura Jesons LLC | 0.37 | 0.36 | 2.28 | - |
| Total | 65.78 | 73.30 | 219.78 | 19.75 |

In respect of (i), (ii) & (iii) above, it is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any.

The management has considered above as contingent liabilities as these matters are sub-judice before competent authorities.

40 Related Party Disclosures

40.1 Names of related parties and description of relationship:

| Name of related party | Nature of relationship |
|---|---|
| Directors and Key Management Personnel (KMP) | |
| Dhires Gosalia | Chairman and Managing Director |
| Madhavi Gosalia | Executive Director (w.e.f. 18th January 2019) |
| Raju Vinod Palvia | Whole time Director |
| Other Independent Directors | |
| Shreyas Mahendra Patel | Independent Director |
| Alyza Nihar Sanghai | Independent Director |
| Jyoti Himanshu Doshi | Independent Director |
| Relatives of Key Management Personnel (KMP) | |
| Usha Shashikant Gosalia | Mother of Managing Director |
| Jhelum Gosalia | Daughter of Managing Director |
| Ravina Gosalia | Daughter of Managing Director |
| Parul Modi | Sister of Managing Director |
| Entities where control exists | |
| Jesons Innovative Polymers Private Limited | Wholly Owned Subsidiary |
| Jesons Techno Polymers LLP | Subsidiary |
| Entities over which significant influence is exercised | |
| Dura Jesons LLC | Associate |
| Enterprise over which KMP exercises significant influence | |
| Jesons Industries Limited Employees Group Gratuity Assurance Scheme | Gratuity Trust |

40.2 Details of transactions with related party in the ordinary course of business for the period/year ended prior to elimination of intra-group transactions:

| Sr. No. | Nature of Transactions | Directors, Key Management Personnel and their relatives | | | | Entities over which control exists | | | | Entities over which significant influence is exercised | | | | Enterprise over which KMP exercises significant influence | | | |
|---------|--|---|---------|---------|---------|------------------------------------|----------|---------|---------|--|---------|---------|---------|---|---------|---------|---------|
| | | Apr 21 to Jun 21 | 2020-21 | 2019-20 | 2018-19 | Apr 21 to Jun 21 | 2020-21 | 2019-20 | 2018-19 | Apr 21 to Jun 21 | 2020-21 | 2019-20 | 2018-19 | Apr 21 to Jun 21 | 2020-21 | 2019-20 | 2018-19 |
| 1 | Revenue from Operations | | | | | | | | | | | | | | | | |
| | Dura Jesons LLC | - | - | - | - | - | - | - | - | 5.37 | 2.07 | 0.81 | 2.09 | - | - | - | - |
| | Jesons Techno Polymers LLP | - | - | - | - | 90.51 | 1.09 | - | - | - | - | - | - | - | - | - | - |
| 2 | Services rendered | | | | | | | | | | | | | | | | |
| | Jesons Techno Polymers LLP | - | - | - | - | 0.80 | 2.65 | 1.79 | - | - | - | - | - | - | - | - | - |
| 3 | Director Remuneration | | | | | | | | | | | | | | | | |
| | Dhires Gosalia | 11.25 | 45.00 | 45.00 | 60.00 | - | - | - | - | - | - | - | - | - | - | - | - |
| | Madhavi Gosalia | 2.10 | 8.40 | 8.40 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Raju Vinod Palvia | 1.96 | 7.98 | 7.45 | 7.30 | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Salary Expense | | | | | | | | | | | | | | | | |
| | Jhelum Gosalia | 0.90 | 3.60 | 3.60 | 1.32 | - | - | - | - | - | - | - | - | - | - | - | - |
| | Ravina Gosalia | 0.90 | 3.60 | 3.60 | 1.32 | - | - | - | - | - | - | - | - | - | - | - | - |
| | Parul Modi | 0.30 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Interest Expense | | | | | | | | | | | | | | | | |
| | Dhires Gosalia | - | - | - | 0.26 | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Loan Repayment | | | | | | | | | | | | | | | | |
| | Dhires Gosalia | - | - | - | 11.53 | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Investments in equity shares | | | | | | | | | | | | | | | | |
| | Jesons Innovative Polymers Private Limited | - | - | - | - | - | - | 40.00 | - | - | - | - | - | - | - | - | - |
| 8 | Investments in membership interest | | | | | | | | | | | | | | | | |
| | Jesons Techno Polymers LLP | - | - | - | - | 56.65 | 367.50 | 191.30 | - | - | - | - | - | - | - | - | - |
| | Dura Jesons LLC | - | - | - | - | - | - | - | - | - | 1.86 | 0.75 | - | - | - | - | - |
| 9 | Contributions for Gratuity | | | | | | | | | | | | | | | | |
| | Jesons Industries Limited Employees Group Gratuity | - | - | - | - | - | - | - | - | - | - | - | - | 5.04 | 5.27 | 2.76 | 2.51 |
| 10 | Dividend paid | | | | | | | | | | | | | | | | |
| | Dura Jesons LLC | - | - | 26.80 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Director Sitting Fees | | | | | | | | | | | | | | | | |
| | Shreyas Mahendra Patel | 0.01 | 0.03 | 0.02 | 0.02 | - | - | - | - | - | - | - | - | - | - | - | - |
| | Alyza Nihar Sanghai | 0.00 | 0.02 | 0.01 | 0.01 | - | - | - | - | - | - | - | - | - | - | - | - |
| | Jyoti Himanshu Doshi | 0.00 | 0.02 | 0.02 | 0.02 | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Corporate Guarantees given on behalf of | | | | | | | | | | | | | | | | |
| | Jesons Techno Polymers LLP * | - | - | - | - | 15.47 | 1,356.53 | - | - | - | - | - | - | - | - | - | - |
| 13 | Purchase of share from Dhires Gosalia | 44.01 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

* The Company has given the corporate guarantee for loan of Rs. 15.47 million during the period from April 2021 to June 2021 (31st March 2021: Rs. 1,356.53 million, 31st March 2020: nil, 31st March 2019: nil). The bank guarantee commission is recorded at present value of Rs. 0.65 million during the period April 2021 to June 2021 (31st March 2021: Rs. 27.56 million, 31st March 2020: nil, 31st March 2019: nil)

40.3 Details of transactions with related party in the ordinary course of business for the period/year ended post elimination of intra-group transactions:

| Sr. No. | Nature of Transactions | Directors, Key Management Personnel and their relatives | | | | Entities over which control exists | | | | Entities over which significant influence is exercised | | | | Enterprise over which KMP exercises significant influence | | | | |
|---------|--|---|-----------------------|-----------------------|----------------------|------------------------------------|------------------|----------------------|----------------|--|-------------|-------------|-------------|---|-------------|-------------|-------------|-------------|
| | | Apr 21 to Jun 21 | 2020-21 | 2019-20 | 2018-19 | Apr 21 to Jun 21 | 2020-21 | 2019-20 | 2018-19 | Apr 21 to Jun 21 | 2020-21 | 2019-20 | 2018-19 | Apr 21 to Jun 21 | 2020-21 | 2019-20 | 2018-19 | |
| 1 | Revenue from Operations Dura Jesons LLC | - | - | - | - | - | - | - | - | 5.37 | 2.07 | 0.81 | 2.09 | - | - | - | - | |
| 2 | Director Remuneration Dhires Gosalia Madhavi Gosalia Raju Vinod Palvia | 11.25 2.10 1.96 | 45.00 8.40 7.98 | 45.00 8.40 7.45 | 60.00 - 7.30 | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | |
| 3 | Salary Expense Jhelum Gosalia Ravina Gosalia Parul Modi | 0.90 0.90 0.30 | 3.60 3.60 - | 3.60 3.60 - | 1.32 1.32 - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | |
| 4 | Interest Expense Dhires Gosalia | - | - | - | 0.26 | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5 | Loan Repayment Dhires Gosalia | - | - | - | 11.53 | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6 | Capital Contribution Dhires Gosalia | - | 26.25 | 33.75 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7 | Investments in equity shares Dura Jesons LLC | - | - | - | - | - | - | - | - | - | 1.86 | 0.75 | - | - | - | - | - | |
| 8 | Contributions for Gratuity Jesons Industries Limited Employees Group Gratuity Assurance Scheme | - | - | - | - | - | - | - | - | - | - | - | - | 5.04 | 5.27 | 2.76 | 2.51 | |
| 9 | Pre-Operative Expenses Business Support Service Purchase of Goods for Factory Reimbursement of Expenses | - - - - | - - - - | - - - - | - - - - | - - - - | - - - - | 2.65 1.09 0.07 | 1.79 - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - |
| 10 | Dividend paid | - | - | 26.80 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 11 | Purchase of share from Dhires Gosalia | 44.01 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 12 | Director Sitting Fees Shreyas Mahendra Patel Alyza Nihar Sanghai Jyoti Himanshu Doshi | 0.01 0.00 0.00 | 0.03 0.02 0.02 | 0.02 0.01 0.02 | 0.02 0.01 0.02 | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - | |

Notes to Restated Consolidated Summary Statements

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

40.4 Amount due to/from related party prior to elimination of intra-group balances:

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Investments in equity shares | | | | |
| Jesons Innovative Polymers Private Limited | - | - | 40.00 | - |
| Jesons Techno Polymers LLP | 424.21 | 367.50 | 191.30 | - |
| Dura Jesons LLC | 3.25 | 3.24 | 1.39 | 0.48 |
| Trade Receivables | | | | |
| Dura Jesons LLC | 6.04 | 0.67 | 0.75 | 2.05 |
| Jesons Techno Polymers LLP | 91.23 | - | - | - |
| Other Receivables | | | | |
| Jesons Techno Polymers LLP | - | - | 1.78 | - |
| Other Payable | | | | |
| Dura Jesons LLC | - | - | 0.74 | - |
| Jesons Techno Polymers LLP | 67.99 | - | - | - |
| Director Remuneration Payable | | | | |
| Dhires Gosalia | 2.19 | 0.29 | 0.07 | 3.08 |
| Madhavi Gosalia | 0.46 | 0.07 | 0.55 | - |
| Raju Vinod Palvia | 0.44 | 0.49 | 0.41 | 0.41 |
| Salary Payable | | | | |
| Jhelum Gosalia | 0.22 | 0.22 | 0.21 | 0.10 |
| Ravina Gosalia | 0.22 | 0.22 | 0.21 | 0.10 |
| Parul Modi | 0.10 | - | - | - |
| Commitment | | | | |
| Dura Jesons LLC | 0.36 | 0.36 | 2.28 | - |
| Corporate Guarantee | | | | |
| Jesons Techno Polymers LLP * | 1,372.00 | 1,356.53 | - | - |

* The Company has given the corporate guarantee for loan of Rs. 1,372.00 million as at 30th June 2021 (31st March 2021: Rs. 1,356.53 million). The bank guarantee commission is recorded at present value of Rs. 28.21 million (31st March 2021: Rs. 27.56 million)

40.5 Amount due to/from related party post elimination of intra-group balances:

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|---|----------------------|-----------------------|-----------------------|-----------------------|
| Investments in equity shares | | | | |
| Dura Jesons LLC | 1.44 | 1.54 | - | 0.48 |
| Capital Contributions and share of profit/loss | | | | |
| Dhires Gosalia | 3.80 | 48.91 | 34.73 | - |
| Trade Receivables | | | | |
| Dura Jesons LLC | 6.04 | 0.67 | 0.75 | 2.05 |
| Payable to Partner towards reduction in his share of LLP | | | | |
| Dhires Gosalia* | 44.01 | - | - | - |
| Other Payable | | | | |
| Dura Jesons LLC | - | - | 0.74 | - |
| Director Remuneration Payable | | | | |
| Dhires Gosalia | 2.19 | 0.29 | 0.07 | 3.08 |
| Madhavi Gosalia | 0.46 | 0.07 | 0.55 | - |
| Raju Vinod Palvia | 0.44 | 0.49 | 0.41 | 0.41 |
| Salary Payable | | | | |
| Jhelum Gosalia | 0.22 | 0.22 | 0.21 | 0.10 |
| Ravina Gosalia | 0.22 | 0.22 | 0.21 | 0.10 |
| Parul Modi | 0.10 | - | - | - |
| Commitment | | | | |
| Dura Jesons LLC | 0.36 | 0.36 | 2.28 | - |

* Payable to Mr. Dhires Gosalia on account of reduction in his share in Jesons Techno Polymer LLP . Refer Note 21.

40.6 All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

40.7 The non-interest bearing term loan was from the Managing Director of the Group in pursuance of bank stipulation and it is repaid in line with term loan.

41 Segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the type of goods delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Board of directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. industrial adhesives and emulsions.

Revenue from Type of Product and Services

There is only one operating segment of the Group which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Information about Reportable Statement for the period April 2021 to June 2021 and for the year ended 31st March 2021, 31st March 2020 and 31st March 2019

| Particular | India | | | |
|---------------------------------|--|-----------------------|----------|----------|
| | For the three months period ended 30th June 2021 | Year ended 31st March | | |
| | | 2021 | 2020 | 2019 |
| Revenue from external customers | 2,778.21 | 7,934.12 | 6,752.45 | 7,285.58 |
| Non-current assets* | 1,286.62 | 1,176.62 | 653.13 | 550.28 |

| Particular | Overseas | | | |
|---------------------------------|--|-----------------------|----------|----------|
| | For the three months period ended 30th June 2021 | Year ended 31st March | | |
| | | 2021 | 2020 | 2019 |
| Revenue from external customers | 1,575.36 | 2,872.72 | 2,205.32 | 1,830.73 |
| Non-current assets* | - | - | - | - |

| Particular | Total | | | |
|---------------------------------|--|-----------------------|----------|----------|
| | For the three months period ended 30th June 2021 | Year ended 31st March | | |
| | | 2021 | 2020 | 2019 |
| Revenue from external customers | 4,353.57 | 10,806.84 | 8,957.77 | 9,116.31 |
| Non-current assets* | 1,286.62 | 1,176.62 | 653.13 | 550.28 |

* Includes property plant and equipments, other intangible assets, capital working in progress and other non-financial non current assets.

Information about major customers:

During the three months period ended 30th June 2021 and year ended 31st March 2021, 31st March 2020 & 31st March 2019, revenue from transaction with a single external customer did not amount to 10% or more of the Group's revenue from external customer.

42 CATEGORIES OF FINANCIAL INSTRUMENTS

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| A) Financial assets | | | | |
| <i>a) Measured at amortised cost</i> | | | | |
| Non-Current | | | | |
| i) Loans to employee | 0.49 | 0.64 | 0.96 | 1.06 |
| ii) Security Deposits | 20.28 | 18.60 | 17.04 | 15.79 |
| iii) Bank balances other than cash and cash equivalents | 0.11 | 0.13 | 0.13 | 0.11 |
| Sub-Total | 20.88 | 19.37 | 18.13 | 16.96 |
| Current | | | | |
| i) Trade receivables | 2,810.11 | 2,828.22 | 1,564.19 | 1,388.05 |
| ii) Cash and Cash equivalents | 80.15 | 215.96 | 81.61 | 301.75 |
| iii) Bank balances other than Cash and cash equivalent | 7.78 | 15.70 | 0.01 | 0.35 |
| iv) Loans to employee | 0.65 | 0.33 | 1.75 | 0.14 |
| v) Other current advances | 48.71 | 65.04 | 85.45 | 9.13 |
| vi) Security deposits | 1.92 | 1.18 | 0.77 | 0.79 |
| Sub-Total | 2,949.32 | 3,126.43 | 1,733.78 | 1,700.21 |
| <i>b) Derivatives measured at fair value through Profit & Loss</i> | | | | |
| Current | | | | |
| i) Derivatives financial asset | 1.72 | - | 3.14 | - |
| Sub-Total | 1.72 | - | 3.14 | - |
| <i>c) At cost</i> | | | | |
| Non-Current | | | | |
| i) Investment in Associate | 1.44 | 1.54 | - | 0.48 |
| Sub-Total | 1.44 | 1.54 | - | 0.48 |
| Total Financial Assets | 2,973.36 | 3,147.34 | 1,755.05 | 1,717.65 |

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| B) Financial liabilities | | | | |
| <i>a) Measured at amortised cost</i> | | | | |
| Non-Current | | | | |
| i) Borrowings | 358.40 | 367.35 | 1.07 | 2.40 |
| ii) Lease obligation | 113.21 | 113.44 | 99.97 | 67.72 |
| iii) Other Non Current financial liabilities | 5.13 | - | - | - |
| Sub-Total | 476.74 | 480.79 | 101.04 | 70.12 |
| Current | | | | |
| i) Borrowings | 1,169.90 | 415.00 | 453.68 | 4.68 |
| ii) Trade Payables | 1,783.44 | 3,215.38 | 1,296.64 | 1,640.96 |
| iii) Lease obligation | 7.21 | 10.82 | 12.00 | 2.47 |
| iv) Other current and non-current financial liabilities | 195.45 | 74.53 | 50.40 | 39.64 |
| Sub-Total | 3,156.00 | 3,715.73 | 1,812.72 | 1,687.75 |
| <i>b) Derivatives measured at fair value through Profit & Loss</i> | | | | |
| Current | | | | |
| i) Derivatives financial liabilities | - | 2.14 | - | 8.14 |
| Sub-Total | - | 2.14 | - | 8.14 |
| Total Financial Liabilities | 3,632.74 | 4,198.66 | 1,913.76 | 1,766.01 |

43 FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between the levels during the year.

The following tables provides the fair value measurement hierarchy of the Group's financial assets and liabilities that are measured at fair value or where fair value disclosure is required.

Financial Instruments regularly measured using Fair Value - recurring Items:

| Particulars | Fair Value | | | | | | Valuation technique(s) |
|--|--|---|----------------------|-----------------------|-----------------------|-----------------------|--|
| | Financial assets/financial liabilities | Category | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 | |
| Derivatives - foreign exchange forward contracts | Financial assets | Financial instruments measured at FVTPL | 1.72 | - | 3.14 | - | Fair value hierarchy - Level 2. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. |
| | Financial liabilities | | - | 2.14 | - | 8.14 | |

44 FINANCIAL INSTRUMENTS MEASURED USING AMORTIZED COST

| Particulars | As at 30th June 2021 | | As at 31st March 2021 | |
|---|----------------------|---------------|-----------------------|---------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial assets held at amortised cost | | | | |
| <i>Non-Current</i> | | | | |
| - Loans to employee | 0.49 | 0.49 | 0.64 | 0.64 |
| Total | 0.49 | 0.49 | 0.64 | 0.64 |
| Financial liabilities held at amortised cost | | | | |
| <i>Non-Current</i> | | | | |
| - Borrowings | 358.40 | 358.40 | 367.35 | 367.35 |
| - Lease obligation | 113.21 | 113.21 | 113.44 | 113.44 |
| Total | 471.61 | 471.61 | 480.79 | 480.79 |

| Particulars | As at 31st March 2020 | | As at 31st March 2019 | |
|---|-----------------------|---------------|-----------------------|--------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial assets held at amortised cost | | | | |
| <i>Non-Current</i> | | | | |
| - Loans to employee | 0.96 | 0.96 | 1.06 | 1.06 |
| Total | 0.96 | 0.96 | 1.06 | 1.06 |
| Financial liabilities held at amortised cost | | | | |
| <i>Non-Current</i> | | | | |
| - Borrowings | 1.07 | 1.07 | 2.40 | 2.40 |
| - Lease obligation | 99.97 | 99.97 | 67.72 | 67.72 |
| Total | 101.04 | 101.04 | 70.12 | 70.12 |

44.1 Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

44.2 Non-current borrowing comprises term loans from banks and loans from related party. The impact of fair value on such portion was not material.

45 FINANCIAL RISK MANAGEMENT FRAMEWORK

The Group's activities expose it to a variety of financial risks: Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

The Group's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks and Commodity price risk. These risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

(i) Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carries interest at fixed rates. The management is responsible for the monitoring of the Companies interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive cost of funding.

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for Working Capital Loans. The following table demonstrates the sensitivity interest rate on that portion of borrowings which are not hedged, with all other variable held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|-----------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Increase in basis points | +50 bps | +50 bps | +50 bps | +50 bps |
| Impact on profit before tax | 1.91 | 3.91 | 2.27 | 0.04 |

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the exchange rate risks as a significant portion of our revenue and expenditures are denominated in foreign currencies. We import certain of our raw materials, the price of which we are required to pay in foreign currency, which is in US dollar. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of rupee against US dollar would decrease/increase the rupee value of debtors/creditors, respectively. To a certain extent the Group uses foreign exchange forward contracts to minimise the risk.

Foreign currency exposure

The carrying amount of the Group's foreign currency exposure at the end of the reporting period are as follows:

| Particulars | US Dollar | ₹ | Euro | ₹ | Total |
|--|----------------|-------------------|---------------|---------------|-------------------|
| As at 30th June 2021 | | | | | |
| Borrowings | (5.38) | (399.54) | - | - | (399.54) |
| Trade Payables & Other financial liabilities | (16.12) | (1,196.96) | - | - | (1,196.96) |
| Other current liabilities | (0.33) | (24.83) | - | - | (24.83) |
| Trade Receivables & Other financial assets | 13.87 | 1,030.28 | - | - | 1,030.28 |
| Total | (7.96) | (591.05) | - | - | (591.05) |
| As at 31st March 2021 | | | | | |
| Borrowings | (3.56) | (260.95) | - | - | (260.95) |
| Trade Payables & Other financial liabilities | (30.03) | (2,200.60) | - | - | (2,200.60) |
| Other current liabilities | (0.08) | (5.79) | (0.11) | (8.28) | (14.07) |
| Trade Receivables & Other financial assets | 8.78 | 643.47 | 0.16 | 11.58 | 656.05 |
| Total | (24.89) | (1,823.87) | 0.05 | 3.30 | (1,820.57) |
| As at 31st March 2020 | | | | | |
| Borrowings | (3.36) | (253.39) | - | - | (253.39) |
| Trade Payables & Other financial liabilities | (9.15) | (690.87) | - | - | (690.87) |
| Other current liabilities | (0.00) | (0.08) | (0.05) | (4.08) | (4.16) |
| Trade Receivables & Other financial assets | 5.65 | 426.31 | 0.03 | 2.19 | 428.50 |
| Total | (6.86) | (518.03) | (0.02) | (1.89) | (519.92) |
| As at 31st March 2019 | | | | | |
| Borrowings | - | - | - | - | - |
| Trade Payables & Other financial liabilities | (15.91) | (1,100.67) | - | - | (1,100.67) |
| Other current liabilities | (0.03) | (2.04) | (0.02) | (1.50) | (3.54) |
| Trade Receivables & Other financial assets | 3.26 | 225.72 | 0.04 | 3.28 | 229.00 |
| Total | (12.68) | (876.99) | 0.02 | 1.78 | (875.21) |

Of the above foreign currency exposures, the unhedged exposure as at the end of the reporting date are as follows:

| Particulars | US Dollar | ₹ | Euro | ₹ | Total |
|--|----------------|-------------------|---------------|---------------|-------------------|
| As at 30th June 2021 | | | | | |
| Borrowings | (2.00) | (148.64) | - | - | (148.64) |
| Trade Payables & Other financial liabilities | (13.20) | (980.70) | - | - | (980.70) |
| Other current liabilities | (0.33) | (24.83) | - | - | (24.83) |
| Trade Receivables & Other financial assets | 13.87 | 1,030.28 | - | - | 1,030.28 |
| Total | (1.66) | (123.89) | - | - | (123.89) |
| As at 31st March 2021 | | | | | |
| Borrowings | - | - | - | - | - |
| Trade Payables & Other financial liabilities | (20.68) | (1,515.43) | - | - | (1,515.43) |
| Other current liabilities | (0.08) | (5.79) | (0.11) | (8.28) | (14.07) |
| Trade Receivables & Other financial assets | 8.78 | 643.47 | 0.16 | 11.58 | 655.05 |
| Total | (11.98) | (877.75) | 0.05 | 3.30 | (874.45) |
| As at 31st March 2020 | | | | | |
| Borrowings | (0.52) | (39.10) | - | - | (39.10) |
| Trade Payables & Other financial liabilities | (4.30) | (324.79) | - | - | (324.79) |
| Other current liabilities | (0.00) | (0.08) | (0.05) | (4.08) | (4.16) |
| Trade Receivables & Other financial assets | 5.65 | 426.31 | 0.03 | 2.19 | 428.50 |
| Total | 0.83 | 62.34 | (0.02) | (1.89) | 60.45 |
| As at 31st March 2019 | | | | | |
| Borrowings | - | - | - | - | - |
| Trade Payables & Other financial liabilities | (89.52) | (6,192.92) | - | - | (6,192.92) |
| Other current liabilities | (0.03) | (2.04) | (0.02) | (1.50) | (3.54) |
| Trade Receivables & Other financial assets | 3.26 | 225.72 | 0.04 | 3.28 | 229.00 |
| Total | (86.29) | (5,969.24) | 0.02 | 1.78 | (5,967.46) |

Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

| Particulars | Currency | Change in rate (Positive) | Effect on profit before tax |
|-----------------------------|----------|---------------------------|-----------------------------|
| Period ended 30th June 2021 | USD | 1% | (5.91) |
| | EUR | 1% | - |
| Year ended 31st March 2021 | USD | 1% | (18.24) |
| | EUR | 1% | 0.03 |
| Year ended 31st March 2020 | USD | 1% | (5.18) |
| | EUR | 1% | (0.02) |
| Year ended 31st March 2019 | USD | 1% | (8.77) |
| | EUR | 1% | 0.02 |

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(iii) Commodity Risk

The Group is exposed to the price risk associated with purchasing of the raw materials. The Group typically do not enter into formal long term arrangements with vendors. Therefore, fluctuations in the price and availability of raw materials may affect the companies business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the Group. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

46 Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Group's customer base majorly has creditworthy counterparties which limits the credit risk. The companies exposures are continuously monitored and wherever necessary we take advances/Letter of Credits to minimise the risk.

47 Trade receivables and advances

The Group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The Group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Group. Forward-looking information (including macro-economic information) has been evaluated and incorporated into the determination of expected credit losses. The Group reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary.

Reconciliation of loss allowance for Trade Receivables

| Particulars | Trade Receivable | | | |
|---|----------------------|-----------------------|-----------------------|-----------------------|
| | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
| Balance as at beginning of the period/year | 33.25 | 8.32 | 5.70 | 5.36 |
| Additions/(write-back) during the period/year | (2.27) | 24.93 | 2.62 | 0.34 |
| Balance at end of the period/year | 30.98 | 33.25 | 8.32 | 5.70 |

Reconciliation of loss allowance for Advances

| Particulars | Advances | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
| Balance as at beginning of the year | - | - | - | 0.85 |
| Additions/(write-back) during the year | - | - | - | (0.85) |
| Balance at end of the year | - | - | - | - |

48 OTHER FINANCIAL ASSETS

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

49 LIQUIDITY RISK**49.1 Liquidity Risk Management**

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

49.2 Maturity profile of financial liabilities

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

| Particulars | Less than 1 year | 1 to 5 years | More than 5 years | Carrying amount in balance sheet |
|-----------------------------|------------------|---------------|-------------------|----------------------------------|
| 30th June 2021 | | | | |
| Long-term borrowings | 69.44 | 358.40 | - | 427.84 |
| Short-term borrowings | 1,100.46 | - | - | 1,100.46 |
| Lease obligation | 7.21 | 56.89 | 56.32 | 120.42 |
| Trade payables | 1,783.44 | - | - | 1,783.44 |
| Other financial liabilities | 195.45 | 5.13 | - | 200.58 |
| Total | 3,156.00 | 420.42 | 56.32 | 3,632.74 |
| 31st March 2021 | | | | |
| Long-term borrowings | 45.87 | 345.94 | 21.41 | 413.22 |
| Short-term borrowings | 369.13 | - | - | 369.13 |
| Lease obligation | 10.82 | 41.47 | 71.97 | 124.26 |
| Trade payables | 3,215.38 | - | - | 3,215.38 |
| Other financial liabilities | 76.67 | - | - | 76.67 |
| Total | 3,717.87 | 387.41 | 93.38 | 4,198.66 |
| 31st March 2020 | | | | |
| Long-term borrowings | 1.33 | 1.07 | - | 2.40 |
| Short term borrowings | 452.35 | - | - | 452.35 |
| Trade payables | 1,296.64 | - | - | 1,296.64 |
| Lease obligation | 12.00 | 29.86 | 70.11 | 111.97 |
| Other financial liabilities | 50.40 | - | - | 50.40 |
| Total | 1,812.72 | 30.93 | 70.11 | 1,913.76 |
| 31st March 2019 | | | | |
| Long-term borrowings | 4.68 | 2.40 | - | 7.08 |
| Short term borrowings | - | - | - | - |
| Trade payables | 1,640.96 | - | - | 1,640.96 |
| Lease obligation | 2.47 | 18.55 | 49.17 | 70.19 |
| Other financial liabilities | 47.78 | - | - | 47.78 |
| Total | 1,695.89 | 20.95 | 49.17 | 1,766.01 |

JESONS INDUSTRIES LIMITED

Annexure VII

Notes to Restated Consolidated Summary Statements

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

50 Offsetting of balances

The Group has not offset financial assets and financial liabilities.

51 Capital management

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain confidence of investors, customers, creditors and other stakeholders.

The management and the Board of Directors monitors the return on capital to shareholders. The Group has not distributed and dividend to its shareholders.

The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

| Particulars | As at 30th June 2021 | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Short-term debt (including current maturities of long term debt) | 1,169.90 | 415.00 | 453.68 | 4.68 |
| Long-term debt | 358.40 | 367.35 | 1.07 | 2.40 |
| Total | 1,528.30 | 782.35 | 454.75 | 7.08 |
| Total equity | 3,175.34 | 2,677.28 | 1,723.93 | 1,427.48 |
| Long term debt to equity | 0.11 | 0.14 | 0.00 | 0.00 |
| Total debt to equity | 0.48 | 0.29 | 0.26 | 0.00 |

52 Information required for Restated Consolidated Summary Statements pursuant to Schedule III of the Companies act 2013

Part "A": Subsidiaries

| Name of subsidiary | Jesons Innovative Polymers Private Limited | Jesons Techno Polymers LLP |
|-----------------------------------|--|---|
| Date when subsidiary was acquired | October 24, 2019 | October 10, 2019 |
| Reporting period | June 30, 2021 | June 30, 2021 |
| Share capital | 40.00 | 400.00 |
| Reserves & surplus | (1.25) | (25.20) |
| Total assets | 38.79 | 1,151.29 |
| Total liabilities | 0.04 | 772.27 |
| Turnover | - | 2.30 |
| loss before taxation | (0.04) | (21.16) |
| Provision for taxation | - | 0.07 |
| Loss after taxation | (0.04) | (21.09) |
| % holding | 100% | 85% upto 31st March 2021, 99% from 1st April 2021. |
| | | (Also refer note 3(a) of Annexure V for interest in subsidiary) |

| Name of entity | 30th June 2021 | | | | | | | |
|--|--|-----------------|-------------------------|---------------|-------------------------------------|---------------|-------------------------------------|---------------|
| | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million |
| (A) Holding Company | 88% | 2,783.92 | 104% | 563.95 | 100% | (0.64) | 104% | 563.31 |
| (B) Subsidiaries | | | | | | | | |
| Indian Subsidiaries | | | | | | | | |
| Jesons Innovative Polymers Private Limited | 1% | 38.75 | 0% | (0.04) | 0% | - | 0% | (0.04) |
| Jesons Techno Polymers LLP | 11% | 355.03 | -4% | (21.09) | 0% | - | -4% | (21.09) |
| (C) Non Controlling Interest | 0% | (3.80) | 0% | - | 0% | - | 0% | - |
| (D) Foreign Associate | | | | | | | | |
| Dura Jesons LLC | 0% | 1.44 | 0% | (0.11) | - | - | 0% | (0.11) |
| Total | 100% | 3,175.34 | 100% | 542.71 | 100% | (0.64) | 100% | 542.07 |

JESONS INDUSTRIES LIMITED

Annexure VII

Notes to Restated Consolidated Summary Statements

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

| 31st March 2021 | | | | | | | | |
|--|--|-----------------|-------------------------|---------------|-------------------------------------|---------------|-------------------------------------|---------------|
| Name of entity | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million |
| (A) Holding Company | 87% | 2,308.05 | 103% | 953.31 | 100% | (1.71) | 103% | 951.60 |
| (B) Subsidiaries | | | | | | | | |
| Indian Subsidiaries | | | | | | | | |
| Jesons Innovative Polymers Private Limited | 1% | 38.79 | 0% | (0.05) | 0% | - | 0% | (0.05) |
| Jesons Techno Polymers LLP | 14% | 377.81 | -3% | (24.14) | 0% | - | -3% | (24.14) |
| (C) Non Controlling Interest | -2% | (48.91) | 0% | - | 0% | - | 0% | - |
| (D) Foreign Associate | | | | | | | | |
| Dura Jesons LLC | 0% | 1.54 | 0% | (0.31) | - | - | 0% | (0.31) |
| Total | 100% | 2,677.28 | 100% | 928.81 | 100% | (1.71) | 100% | 927.10 |

| 31st March 2020 | | | | | | | | |
|--|--|-----------------|-------------------------|---------------|-------------------------------------|---------------|-------------------------------------|---------------|
| Name of entity | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million |
| (A) Holding Company | 87% | 1,492.90 | 99% | 296.95 | 100% | (2.36) | 99% | 294.59 |
| (B) Subsidiaries | | | | | | | | |
| Indian Subsidiaries | | | | | | | | |
| Jesons Innovative Polymers Private Limited | 2% | 38.81 | 0% | (1.16) | 0% | - | 0% | (1.16) |
| Jesons Techno Polymers LLP | 13% | 226.95 | 1% | 1.94 | 0% | - | 1% | 1.94 |
| (C) Non Controlling Interest | -2% | (34.73) | 0% | - | 0% | - | 0% | - |
| (D) Foreign Associate | | | | | | | | |
| Dura Jesons LLC | 0% | - | 0% | (1.26) | 0% | - | 0% | (1.26) |
| Total | 100% | 1,723.93 | 100% | 296.47 | 100% | (2.36) | 100% | 294.11 |

| 31st March 2019 | | | | | | | | |
|--|--|-----------------|-------------------------|---------------|-------------------------------------|---------------|-------------------------------------|---------------|
| Name of entity | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million | As % of consolidated | ₹ in million |
| (A) Holding Company | 100% | 1,427.00 | 100% | 247.64 | 100% | (0.56) | 100% | 247.08 |
| (B) Subsidiaries | | | | | | | | |
| Indian Subsidiaries | | | | | | | | |
| Jesons Innovative Polymers Private Limited | 0% | - | 0% | - | 0% | - | 0% | - |
| Jesons Techno Polymers LLP | 0% | - | 0% | - | 0% | - | 0% | - |
| (C) Non Controlling Interest | 0% | - | 0% | - | 0% | - | 0% | - |
| (D) Foreign Associate | | | | | | | | |
| Dura Jesons LLC | 0% | 0.48 | 0% | (0.13) | 0% | - | 0% | (0.13) |
| Total | 100% | 1,427.48 | 100% | 247.51 | 100% | (0.56) | 100% | 246.95 |

JESONS INDUSTRIES LIMITED

Annexure VII

Notes to Restated Consolidated Summary Statements

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

Part "B": Disclosure of interest in the Associate

| Name of the entity | Place of business/ country of incorporation | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 | Principal activities |
|--------------------|--|---|---|---|---|---|
| Dura Jesons LLC | United States | Ownership interest held by the group | Ownership interest held by the group | Ownership interest held by the group | Ownership interest held by the group | Dura Jesons LLC is the sales, marketing and product development vehicle of its members and is established to further their interests in specific markets and execute the business objectives. |
| | | 49% | 49% | 49% | 49% | |
| | | Interest in the Associate's Profit / (Loss) | Interest in the Associate's Profit / (Loss) | Interest in the Associate's Profit / (Loss) | Interest in the Associate's Profit / (Loss) | |
| | | 50% | 50% | 50% | 50% | |

The following table illustrates the summarised financial information of the Group's investment in Dura Jesons LLC

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|-------------------------|----------------|-----------------|-----------------|-----------------|
| Current assets | 10.31 | 6.03 | 4.61 | 3.84 |
| Non-current assets | - | - | - | - |
| Current liabilities | (7.99) | (3.52) | (4.08) | (2.75) |
| Non-current liabilities | - | - | - | - |
| Net assets | 2.32 | 2.51 | 0.53 | 1.09 |

Proportion of the Group's Interest in Associate 49% 49% 49% 49%

Carrying amount of the investment (Refer Note 9 and Note 40) 1.44 1.54 - 0.48

| Particulars | 30th June 2021 | 31st March 2021 | 31st March 2020 | 31st March 2019 |
|---|----------------|-----------------|-----------------|-----------------|
| Revenue | 1.83 | 1.83 | 1.76 | 0.50 |
| Cost of raw material and components consumed | (1.50) | (1.81) | (1.57) | (0.54) |
| Other expense | (0.55) | (0.63) | (2.70) | (0.21) |
| Loss before tax | (0.22) | (0.61) | (2.51) | (0.25) |
| Income tax expense | - | - | - | - |
| Loss for the year | (0.22) | (0.61) | (2.51) | (0.25) |
| Group's share of unrealised profit on closing stock | - | - | - | (0.02) |
| Group's share of loss for the period / year | (0.11) | (0.31) | (1.26) | (0.13) |

The associate had no contingent liabilities or capital commitments as at 30th June 2021, 31st March 2021, 31st March 2020 and 31st March 2019.

53 Key Ratios and its elements

| Particulars | Elements of ratio | | 30th June 2021 * | 31st March 2021 | 31st March 2020 | 31st March 2019 | % change from March 31, 2021 to June 30, 2021 | % change from March 31, 2020 to March 31, 2021 | % change from March 31, 2019 to March 31, 2020 | Remarks |
|--------------------------------------|---|---|------------------|-----------------|-----------------|-----------------|---|--|--|-----------------------------|
| | Numerator | Denominator | | | | | | | | |
| (a) Current Ratio | Current Assets | Current Liabilities | 1.63 | 1.45 | 1.50 | 1.49 | 13% | -4% | 0% | Change is not more than 25% |
| (b) Debt-Equity Ratio | Total Debt | Total Equity | 0.48 | 0.29 | 0.26 | 0.00 | 65% | 11% | 5219% | Refer Note 1 |
| (c) Debt Service Coverage Ratio | Profit before Interest, Depreciation and Tax | Non-current borrowings + Current maturity of long term loans | 1.76 | 3.24 | 193.54 | 62.50 | -46% | -98% | 210% | Refer Note 2 |
| (d) Return on Equity Ratio | Restated Total Comprehensive Income for the period/year | Average Total Equity | 19% | 42% | 19% | 19% | -56% | 126% | -1% | Refer Note 3 |
| (e) Inventory turnover ratio | Cost of goods sold (Cost of goods sold = Cost of material consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress) | Average Inventory | 1.46 | 5.62 | 9.86 | 10.95 | -74% | -43% | -10% | Refer Note 4 |
| (f) Trade Receivables turnover ratio | Revenue from operations - Export incentives | Average trade receivables | 1.54 | 4.92 | 6.07 | 6.52 | -69% | -19% | -7% | Refer Note 5 |
| (g) Trade payables turnover ratio | Total Purchases | Average trade payables | 1.42 | 4.72 | 5.62 | 6.02 | -70% | -16% | -7% | Refer Note 6 |
| (h) Net capital turnover ratio | Revenue from operations | Average Working Capital (Working capital = Current Assets - Current Liabilities) | 2.29 | 8.21 | 10.16 | 12.18 | -72% | -19% | -17% | Refer Note 7 |
| (i) Net profit ratio | Net profit after tax | Revenue from operations | 12% | 9% | 3% | 3% | 45% | 159% | 22% | Refer Note 8 |
| (j) Return on Capital employed | Profit before tax + Finance costs | Capital Employed (Capital employed = Total Assets - Current Liabilities) | 21% | 42% | 26% | 31% | -50% | 63% | -17% | Refer Note 9 |
| (k) Return on investment | Net profit after tax | Average total assets | 8% | 17% | 9% | 8% | -55% | 103% | 7% | Refer Note 10 |

* Not annualised

| Particulars | Elements of ratio | | 30th June 2021 | | 31st March 2021 | | 31st March 2020 | | 31st March 2019 | |
|--------------------------------------|---|---|----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
| | Numerator | Denominator | Numerator | Denominator | Numerator | Denominator | Numerator | Denominator | Numerator | Denominator |
| (a) Current Ratio | Current Assets | Current Liabilities | 5,473.86 | 3,361.51 | 5,566.95 | 3,846.58 | 2,769.07 | 1,846.17 | 2,580.71 | 1,729.17 |
| (b) Debt-Equity Ratio | Total Debt | Total Equity | 1,528.30 | 3,175.34 | 782.35 | 2,677.28 | 454.75 | 1,723.93 | 7.08 | 1,427.48 |
| (c) Debt Service Coverage Ratio | Profit before Interest on term loan, Depreciation and Tax | Non-current borrowings + Current maturity of long term loans | 752.99 | 427.84 | 1,336.79 | 413.22 | 464.50 | 2.40 | 442.50 | 7.08 |
| (d) Return on Equity Ratio | Restated Total Comprehensive Income for the period/year | Average Total Equity | 542.07 | 2,926.31 | 927.10 | 2,200.61 | 294.11 | 1,575.71 | 246.95 | 1,304.99 |
| (e) Inventory turnover ratio | Cost of goods sold (Cost of goods sold = Cost of material consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress) | Average Inventory | 3,214.49 | 2,200.47 | 8,343.22 | 1,483.28 | 7,624.03 | 773.19 | 8,004.33 | 730.98 |
| (f) Trade Receivables turnover ratio | Revenue from operations - Export incentives | Average trade receivables | 4,354.13 | 2,819.17 | 10,808.75 | 2,196.21 | 8,958.92 | 1,476.12 | 9,118.19 | 1,399.33 |
| (g) Trade payables turnover ratio | Total Purchases | Average trade payables | 3,559.58 | 2,499.41 | 10,656.06 | 2,256.01 | 8,248.43 | 1,468.80 | 8,520.69 | 1,414.83 |
| (h) Net capital turnover ratio | Revenue from operations | Average Working Capital (Working capital = Current Assets - Current Liabilities) | 4,384.28 | 1,916.36 | 10,857.17 | 1,321.64 | 9,013.71 | 887.22 | 9,176.94 | 753.37 |
| (i) Net profit ratio | Net profit after tax | Revenue from operations | 542.82 | 4,384.28 | 929.12 | 10,857.17 | 297.73 | 9,013.71 | 247.64 | 9,176.94 |
| (j) Return on Capital employed | Profit before tax + Finance costs | Capital Employed (Capital employed = Total Assets - Current Liabilities) | 772.11 | 3,671.34 | 1,321.10 | 3,171.90 | 472.19 | 1,843.96 | 471.01 | 1,530.56 |
| (k) Return on investment | Net profit after tax | Average total assets | 542.82 | 7,025.67 | 929.12 | 5,354.31 | 297.73 | 3,474.93 | 247.64 | 3,079.67 |

- Note 1** The ratio has changed from 0.00 to 0.26 in 31st March 2020 mainly due to Working capital loans from banks increased from NIL as at 31st March 2019 to INR 198.35 million as at 31st March 2020. Also, Other current borrowings (Buyers Credit) increased from NIL as at 31st March 2019 to INR 254.00 million as at 31st March 2020.
The ratio has changed from 0.29 to 0.48 in 30th June 2021 mainly due to working capital loans from banks from INR 105.41 million as at 31st March 2021 to INR 697.31 million as at 30th June 2021. Also, Other current borrowings (Buyers Credit) increased from INR 263.72 million as at 31st March 2021 to INR 403.15 million as at 30th June 2021.
- Note 2** The ratio has changed from 62.50 to 193.54 in 31st March 2020 mainly due to increase in profit margins from INR 442.50 million in 31st March 2019 to INR 464.50 million in 31st March 2020 coupled with repayment in the existing term loan causing the reduction in closing outstanding balances from INR 7.08 million as at 31st March 2019 to INR 2.40 million as at 31st March 2020.
The ratio has changed from 193.54 to 3.24 in 31st March 2021 mainly due to increase in long term borrowings in respect of Mundra Plant, during 31st March 2021, has resulted into decrease in Debt Service Coverage Ratio during 31st March 2021, as compared to 31st March 2020.
The ratio has changed from 3.24 to 1.76 in 30th June 2021 mainly due to improved profits after tax from INR 1,336.78 million in 31st March 2021 to INR 3,011.96 million in Q1 FY2022 on annualised basis.
- Note 3** The return has changed from 19% to 42% in 31st March 2021 mainly due to improved profits after tax from INR 297.73 million in 31st March 2020 to INR 929.12 in 31st March 2021, the return on equity and debt service coverage ratio, has increased in current financial year.
The ratio has changed from 42% to 19 in 30th June 2021 mainly due to improved profits after tax from INR 1,336.78 million in 31st March 2021 to INR 3,011.96 million in Q1 FY2022 on annualised basis.
- Note 4** The ratio has changed from 9.86 to 5.62 in 31st March 2021 mainly due to increase in average inventory levels from INR 772.03 million as at 31st March 2020 to INR 2,194.52 million in 31st March 2021. This was attributable to the increase in raw material prices coupled with increase in inventory holdings during the last quarter of 31st March 2021 as compared to 31st March 2020.
No material change in the inventory turnover ratio, on annualised basis for 30th June 2021.
- Note 5** While the receivable levels were range bound at INR 2,828.22 million as at 31 March 2021 and INR 2,810.11 million at 31 March 2021. The overall reduction in receivable turnover is attributable to significant growth in the sales from INR 10,801.04 million for 31st March 2021 to INR 17,404.12 million during Q1FY22 on annualised basis.
- Note 6** The decrease in trade payable turnover ratio is mainly attributable to reduction in payable levels from INR 3,215.38 million as at 31st March 2021 to INR 1,783.44 million as at 30th June 2021 coupled with increase in purchases from INR 9,765.24 million during 31st March 2021 to INR 12,901.8 million during Q1FY22 on annualised basis.
- Note 7** No material change in the inventory turnover ratio, on annualised basis
- Note 8** The overall improvements in the net margins in 31st March 2021 indicates an ability of the group to fetch higher sales realisation from its customers resulting into higher profit after tax.
The overall improvements in the net margins in Q1FY22 indicates an ability of the group to fetch higher sales realisation from its customers resulting into higher profit after tax.
- Note 9** Due to improved profits after tax from INR 297.73 million in 31st March 2020 to INR 929.09 in 31st March 2021, the return on capital employed has increased in current financial year
Due to improved profits after tax from INR 929.09 in 31st March 2021 to INR 2,171.28 in Q1FY22 on annualised basis, return on capital employed has increased in current period
- Note 10** Due to improved profits after tax from INR 297.73 million in FY20 to INR 929.09 in 31st March 2021, the return on capital employed has increased in current financial year
Due to improved profits after tax from INR 929.09 in 31st March 2021 to INR 2,171.28 in 30th June 2022 on annualised basis, return on capital employed has increased in current period

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board
JESONS INDUSTRIES LIMITED
CIN : U24295MH1999PLC122193

Ankush Agrawal
Partner
Membership No: 159694

Dhires Gosalia
Managing Director
DIN No. 00217158

Raju Vinod Palvia
Whole Time Director
DIN No. 06538252

Deepak Ladha
Chief Financial Officer

Kushal Gala
Company Secretary
ACS No: 30833

Place: Mumbai
Date: October 19, 2021

Place: Mumbai
Date: October 19, 2021

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations, as derived from the Restated Consolidated Summary Statements, are given below:

(In ₹ million, unless otherwise stated)

| Particulars | As at and for the three months period ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|---|--|---|---|---|
| Restated profit after tax attributable to owners of the Company (A) | 542.92 | 940.88 | 295.49 | 247.51 |
| Weighted average number of shares outstanding during the period for basic EPS (<i>post split and bonus</i>) (B) | 53,611,200 | 53,611,200 | 53,611,200 | 53,611,200 |
| Weighted average number of shares outstanding during the period for diluted EPS (<i>post split and bonus</i>) (C) | 53,611,200 | 53,611,200 | 53,611,200 | 53,611,200 |
| Basic Earnings per share (in ₹) (D = A/B) | 10.13 | 17.55 | 5.51 | 4.62 |
| Diluted Earnings per share (in ₹) (E = A/C) | 10.13 | 17.55 | 5.51 | 4.62 |
| Restated net worth attributable to owners of the Company (A) (excluding non controlling interest) | 3,171.54 | 2,628.37 | 1,698.20 | 1,427.48 |
| Restated net profit after tax attributable to owners of the Company (B) (₹ in million) | 542.92 | 940.88 | 295.49 | 247.51 |
| Return on net worth (C = B/A*100) (%) | 17.12% | 35.80% | 17.49% | 17.34% |
| Restated net worth attributable to owners of the Company (A) | 3,171.54 | 2,628.37 | 1,698.20 | 1,427.48 |
| Weighted average number of equity shares outstanding during the year (<i>post split and bonus</i>) (B) | 53,611,200 | 53,611,200 | 53,611,200 | 53,611,200 |
| Restated net asset value per equity share (in ₹) (C = A/B) (in ₹) | 59.16 | 49.03 | 31.51 | 26.63 |
| EBITDA Margin (EBITDA/ Revenues from Operations*100) (%) | 16.82% | 11.87% | 5.27% | 5.22% |

Reconciliation of EBITDA and EBITDA Margin to Restated Profit for the Year/ Period

The table below reconciles restated profit for the year/ period to EBITDA and EBITDA Margin.

EBITDA is calculated as sum of (i) Restated profit/(loss) for the period/year, (ii) Total tax expense, (iii) finance costs, and (iv) depreciation and amortization expense as reduced by other income. EBITDA Margin is defined as EBITDA divided by Revenues from Operations.

(in ₹ million)

| Particulars | As at and for the three months period ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|--|--|---|---|---|
| Restated profit for the year (A) (₹ in million) | 542.82 | 929.12 | 297.73 | 247.64 |
| Tax expense (B) (₹ in million) | 191.12 | 331.87 | 89.94 | 126.18 |
| Finance costs (C) (₹ in million) | 38.17 | 60.11 | 84.52 | 97.19 |
| Depreciation and amortisation and Impairment (D) (₹ in million) | 18.92 | 75.45 | 76.42 | 68.11 |
| Other income (E) | 53.79 | 108.32 | 73.69 | 60.38 |
| EBITDA (A+B+C+D-E) (₹ in million) | 737.24 | 1,288.23 | 474.92 | 478.74 |
| EBITDA | 737.24 | 1,288.23 | 474.92 | 478.74 |
| Revenues from operations | 4,384.28 | 10,857.17 | 9,013.71 | 9,176.94 |
| EBITDA Margin (%) (EBITDA / Revenues from Operations*100) | 16.82% | 11.87% | 5.27% | 5.22% |

In accordance with the SEBI IDCR Regulations,

1. the audited standalone financial statements of our Company as at and for the year ended March 31, 2021, March 31, 2020, and March 31, 2019 and the reports thereon dated June 14, 2021, September 10, 2020 and June 18, 2019, respectively;
2. the audited standalone financial statements of Jesons Techno Polymers LLP for the year ended March 31, 2021 and March 31, 2020 the reports thereon dated June 4, 2021 and August 27, 2020, respectively.

(collectively the “**Audited Financial Statements**”) are available at <https://www.jesons.net/financial-information.php>.

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 to subscribe for or purchase any securities of our Company, or any of its Subsidiaries, or any entity in which it or its shareholders have significant influence (collectively, the “Group”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any BRLMs or the Promoter Selling Shareholder, 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 Indian Accounting Standards i.e. Ind AS 24 '*Related Party Transactions*' for the three months period ended June 30, 2021 and the years ended March 31, 2021, March 31, 2020, and March 31, 2019 as reported in the Restated Consolidated Summary Statements, see "*Restated Consolidated Summary Statements – Note 40 Related Party Disclosures*" on page 221.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2019, 2020, 2021, and three months period ended June 30, 2021 and should be read in conjunction with our Restated Consolidated Summary Statements on page 182.

We have included in this section a discussion of our financial statements on a restated and consolidated basis.

The Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus are prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 (1) of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI (the "Guidance Note").

Our fiscal year ends on March 31 of each year, and references to a particular fiscal period are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus on page 182.

Ind AS differs in certain respects from Indian GAAP, IFRS and US GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows" on page 49.

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 16 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section titled "Our Business" and "Risk Factors" on pages 131 and 25, respectively, of this Draft Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Independent Market Report – Global Adhesives and Coating Market" dated November 17, 2021 (the "F&S Report"), prepared and issued by Frost & Sullivan, exclusively commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from Frost & Sullivan 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 45. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14.

Overview

We are one of the leading manufacturers of specialty coating emulsions ("SCE") and water based pressure sensitive adhesives ("PSA") in tape and label segments (in terms of sales value), in India (*source: F&S Report*). Our products are used in various end user industries, such as paints, packaging, and chemicals for construction, textiles, leather, carpet and paper. Amongst the Indian manufacturers, we have one of the largest range of products in SCEs and PSAs product categories (*source: F&S Report*). We are one of the leading SCE suppliers to the Indian paint sector with about 30% market share in the segment in Fiscal 2021, in terms of sales value (*source: F&S Report*).

Our Company has also been an exporter of SCEs and PSAs since 2008 and has a global footprint of exports to more than 50 countries, as of June 30, 2021. The contribution of export products (including export incentives) to our revenue from operations was ₹1,889.48 million, ₹2,260.11 million, ₹2,921.14 million, and ₹1,605.51 million, representing 20.59%, 25.07%, 26.91% and 36.62% for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, witnessing a growth of 24.34% between Fiscal 2019 and the three month period ended June 30, 2021.

We have successfully established a strong foothold in high-growth markets across Asia-Pacific, Middle East and Africa, for both SCE and PSA products (*source: F&S Report*). We are the largest exporter of Polymers of Vinyl Acetate (*HS code 3905*) and Acrylic Polymers (*HS code 3506*), which are used in SCEs and PSAs, from India in Fiscal 2021. We exported 6,687 tons of Polymers of Vinyl Acetate during Fiscal 2021, which is 52.9% of the total export of the same from India. Similarly, we also exported 38,888 tons of Acrylic Polymers (*HS code 3506*) in Fiscal 2021, which is 36.1% of the total exports of the same from India (*source: F&S Report*).

As of June 30, 2021, we had a portfolio of 170 products which are marketed under the brands Bondex®, Rdymix®, Coviguard®, Blue Glue®, INDTAPE®, and Polytex™. We are an innovation led company with a dedicated focus on developing specialty products with services, customized to the specific needs of our customers. Our R&D facility, which houses a team of 27 qualified scientists as of June 30, 2021, along with our decades of experience in the SCE and PSA industries, enable us to develop a robust pipeline of specialized products and solutions, which are customized based on customer requirements and specific orders.

We have a well-defined process of evolving our product portfolio, where we continue to enhance existing products and develop new specialty products based on market demand and customer requirements. For instance, as of June 30, 2021, out of the total 170 products forming part of our portfolio, 111 were specialty products representing 65.29% of our total product portfolio. Our R&D funnel has successfully delivered more than 42 specialty products, which has led to an improvement in the share of specialty products in our revenue from operations, increasing from 16.67% in Fiscal 2019 to 23.30% for the three month period ended June 30, 2021. We have a demonstrated track record of introducing new products. For example, we have launched 113 new products in the past three Fiscals and three months period ended June 30, 2021, which contributed 7.51% and 9.77% to our revenue from operations for Fiscal 2021 and the three months period ended June 30, 2021, respectively, (with products introduced in Fiscal 2021 and the three months period ended June 30, 2021 contributing to the immediately successive financial periods). Our new products have enabled us to further diversify our customer base across various industries.

We supply our SCE products to various reputed players in the (i) domestic paint industry such as Berger Paints, Indigo Paints, Kamdhenu Paints, JSW Paints, Nippon Paints, and Shalimar Paints, and (ii) in the global paints industry such as Apollo Paints, Kansai Nerolac, Moon Star Paints, and Caparol Paints. Further, we also supply our PSA products to various reputed players in the (i) domestic packaging industry such as Cosmos Twisters, Cellotape, Mexim Adhesives, Sarvodaya Industries, Storm Infracon, and SMI Coated Products, and (ii) global packaging industry such as Lalan Printing and Packaging, Tuftape, Well Accessories, and Western Paper Industries. We also supply SCE products to various players in the construction chemicals industry such as Forsoc Chemicals.

While we derive a significant portion of our revenue from direct customers, we also sell to various distributors. As of June 30, 2021, we had 121 distributors spread across more than 50 countries. The average age of our relationship with our top 10 customers as of Fiscal 2021, spans more than a decade. Our quality consciousness enables us to have long term relationships with our customers. Further, due to our R&D capabilities, we have been able to develop customized products and solutions as per customer requirements. For further details, please see “- *Innovation and R&D led product offering*” on page 137.

Our revenue from SCE products was ₹4,008.99 million, ₹4,275.64 million, ₹5,350.87 million, and ₹2,435.32 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, representing 43.69%, 47.43%, 49.28% and 55.55% of our revenue from operations, respectively. Our revenue from PSA products was ₹4,084.03 million, ₹3,664.88 million, ₹4,237.93 million and ₹1,666.08 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, representing 44.50%, 40.66%, 39.03% and 38.00% of our revenue from operations, respectively.

Our top 10 SCE and PSA customers for the respective financial periods contributed to 22.08%, 21.33%, 23.22% and 26.11% of our revenue from operations for Fiscal 2019, Fiscal 2020 and Fiscal 2021 and the three month period ended June 30, 2021, respectively. Accordingly, our customer base enables us to de-risk customer concentration.

We have six strategically located manufacturing facilities, comprising two facilities at the Daman (Dadra and Nagar Haveli and Daman and Diu), and one facility each at Roorkee (Uttarakhand), Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), Mundra (Gujarat) and Vapi (Gujarat) which cater to the domestic as well as export markets. Most of our manufacturing facilities are located either near custom ports or within close proximity, allowing for logistical efficiency. Our multi-location facilities and strong distribution network comprising of supply in tankers, flexi tanks, intermediate bulk containers (“**IBC**”), drums, caters to the demands of clients from varied geographies. We also have three warehouses located in Daman, Vapi and Delhi for all our finished products. Our dedicated R&D Centre is recognized by Department of Scientific and Industrial Research (Ministry of Science and Technology), Government of India.

Our manufacturing facilities are ISO certified which include (i) BS OHSAS 18001: 2007; ISO 14001 : 2015; ISO 9001 : 2015 for Roorkee (Uttarakhand), (ii) ISO 9001 : 2015 for Daman (Dadra and Nagar Haveli and Daman and Diu), (iii) ISO 9001 : 2015; BS OHSAS 18001 : 2007; ISO 14001 : 2015 for Gummidipoondi - Chennai Metropolitan Region (Tamil Nadu), and (iv) ISO 9001 : 2015; ISO 14001 : 2015; BS OHSAS 18001 : 2007 for our R&D centre (Turbhe). Further, our manufacturing facility at Mundra (Gujarat) has received the ISO 9001:2015 certification from QFS Management Systems LLP, for manufacture and supply of SCEs and PSAs. For further details, please see “- *Manufacturing Facilities*” on page 143.

Financial and operating performance

We believe in maximizing the utility of our assets to optimize capital efficiency, while focusing on quality of the products manufactured by us. For instance, as of Fiscal 2019, Fiscal 2020, and Fiscal 2021, and the three months period ended June 30, 2021, our Fixed Assets Turnover stood at 13.11x, 11.32x, 12.94x and 22.27x, respectively.

Set out below are our key operating and financial metrics:

(In ₹ million, except percentages)

| Particulars | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Three month period ended June 30, 2021 |
|-------------------------|-------------|-------------|-------------|--|
| Revenue from operations | 9,176.94 | 9,013.71 | 10,857.17 | 4,384.28 |
| EBITDA | 478.74 | 474.92 | 1,288.23 | 737.24 |
| EBIT | 471.01 | 472.19 | 1,321.10 | 772.11 |
| PAT | 247.51 | 296.47 | 928.81 | 542.71 |
| NWC | 851.54 | 922.90 | 1,720.37 | 2,112.35 |
| ROCE | 30.77% | 25.61% | 41.65% | 84.12% |
| ROE | 18.92% | 18.67% | 42.13% | 74.10% |
| ROA | 8.04% | 8.57% | 17.35% | 30.90% |
| EBITDA Margin (%) | 5.22% | 5.27% | 11.87% | 16.82% |
| PAT Margin | 2.70% | 3.29% | 8.55% | 12.38% |
| EPS | 4.62 | 5.51 | 17.55 | 10.13 |
| Debt to Equity | 0.00 | 0.26 | 0.29 | 0.48 |

Principal Factors Affecting Our Financial Condition and Results of Operations

Product development capabilities to meet evolving preferences in SCE and PSA markets

As of June 30, 2021, we had a portfolio of 170 products which are marketed under the brands Bondex[®], Rdymix[®], Coviguard[®], Blue Glue[®], INDTAPE[®], and Polytex[™]. We are an innovation led company with a dedicated focus on developing value-added products and services, customized to the specific needs of our customers. We manufacture a wide and diversified range of SCEs and PSAs for various end user industries, such as paints, packaging, and chemicals for construction, textiles, leather and paper.

Our revenue from SCE products was ₹4,008.99 million, ₹4,275.64 million, ₹5,350.87 million, and ₹2,435.32 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, representing 43.69%, 47.43%, 49.28% and 55.55% of our revenue from operations, respectively. Our revenue from PSA products was ₹4,084.03 million, ₹3,664.88 million, ₹4,237.93 million and ₹1,666.08 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, representing 44.50%, 40.66%, 39.03% and 38.00% of our revenue from operations, respectively.

We intend to diversify our existing product portfolio by adding new products which are synergistic with our existing products and chemistries. Such new additions will include additional offerings in the paint, tape, label, textile, construction chemicals, leather chemicals, carpet and paper chemicals industries. Further, we intend to increase our current market share of products by penetrating deeper into existing domestic markets, as well as export markets. For further information, see “*Our Business – Continue our focus on R&D, further diversification of our product offerings, and expansion of our production capacities*” on pages 138.

The contribution of specialty products to our revenue from operations was 16.67%, 21.57%, 23.53% and 23.30% for Fiscals 2019, 2020, 2021 and the three month period ended June 30, 2021, witnessing a CAGR growth of 41.51% in the between Fiscal 2019 and Fiscal 2021. We have a constantly evolving product portfolio, where we retain products based on market demand and customer requirements. For instance, as of June 30, 2021, out of the total 170 products forming part of our portfolio, 111 were specialty products. We intend to increase the share of specialty products in our product mix, and amongst others, seek to improve our gross margins.

The demand for our products and margin of our products is also dependent on and directly affected by factors affecting the industries we supply, specifically the paints and packaging industries.

Our success is inter-linked with the success of the end-products of our customers. The success of the end products manufactured by our customers depends on our ability, as well as the ability of our customers to identify early on, and correctly assess consumer market preferences. The environment for SCEs and PSAs is evolving, and aligning our business to respond to evolving preferences of our customers is critical to our future success. Our success is dependent on our ability to identify and respond to the economic, social, and other trends that affect demographic and end-customer preferences. We

commit time, funds and other resources to identify product opportunities and develop differentiated products to meet these requirements.

Industry trends change from time to time and may affect the demand for SCEs and PSA. Our ability to consistently gain market share therefore depends on our ability to develop differentiated products and the acceptance and demand for these products by end-customers and dealers. Our inability to manage the expansion of our product portfolio, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers, end-users or other stakeholders could have an adverse effect on our business, results of operations and financial condition.

Fluctuations in cost of material consumed and gross margins

We significantly depend on the availability and price of raw materials. The primary raw materials used in the manufacture of SCEs and PSAs are Butyl Acrylate Monomer, Styrene Monomer & Vinyl Acetate Monomer. Cost of material consumed, purchase of stock-in-trade, and changes in inventories of finished goods, stock-in-trade and work-in-progress, represent a significant portion of our expenses. In Fiscal 2019, 2020, 2021, and the three month period ended June 30, 2021, the aforesaid costs amounted to ₹8,004.33, ₹7,624.03, ₹8,343.22 and ₹3,214.49, respectively and represented 87.22%, 84.58%, 76.85% and 73.32%, respectively, of our revenue from operations for such periods.

Our operations depend on the timely transport of raw materials to our manufacturing facilities. We import a significant amount of our raw material resources, with imports constituting 74.14%, 72.69%, 69.79% and 76.37% of our total raw material purchased for Fiscals 2019, Fiscal 2020, Fiscal 2021, and the three months period ended June 30, 2021.

The table below shows the value of domestic and imported raw materials purchased and as a percentage of total raw material purchases for the periods indicated.

| Particulars | Fiscal 2019 | | Fiscal 2020 | | Fiscal 2021 | | Three months period ended June 30, 2021 | |
|--------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|---|-----------------------------------|
| | Value (In ₹ million) | % of total raw material purchases | Value (In ₹ million) | % of total raw material purchases | Value (In ₹ million) | % of total raw material purchases | Value (In ₹ million) | % of total raw material purchases |
| Domestic | 1,972.35 | 25.86 | 1,958.07 | 27.31 | 2,736.43 | 30.21 | 695.31 | 23.63 |
| Imported | 5,655.79 | 74.14 | 5,211.94 | 72.69 | 6,322.03 | 69.79 | 2,247.78 | 76.37 |
| Total | 7,628.14 | 100.00 | 7,170.01 | 100.00 | 9,058.46 | 100.00 | 2,943.09 | 100.00 |

We use a combination of land and ocean transport and typically rely on third party transportation providers for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including customs, weather, strikes or civil disruptions. For example, we may experience disruption in the transportation of raw materials by sea due to bad weather conditions. Further, we do not have any long term arrangements with such third parties. Any failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient, reliable and timely manner could have an adverse effect on our business, results of operations, cash flows and financial conditions. Further, due to the Covid-19 pandemic, our freight costs for our import of raw materials escalated substantially, and consequently, we incurred significant additional expenses on account of transportation and logistics.

Further, the success of our operations also depends on, among other things, our ability to source raw materials at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as international government policies and regulatory sanctions. Our cost of goods sold was ₹8,004.33 million, ₹7,624.03 million, ₹8,343.22 million, and ₹3,214.49 million for Fiscal 2019, Fiscal 2020, Fiscal 2021, and the three months period ended June 30, 2021, and constituted 90.31%, 87.64%, 85.97% and 86.78% of our total expenses for the aforesaid financial periods, respectively.

The cost of these raw materials is affected by fluctuations in market prices and import duties. Certain of our key raw materials have witnessed volatility in their prices. For example, the cost of Butyl Acrylate Monomer has seen volatility with the prices being ₹99.07 per kg in Fiscal 2019, ₹ 76.40 per kg in Fiscal 2020, ₹86.64 per kg in Fiscal 2021, and ₹154.60 for the three month period ended June 30, 2021. Similarly, the cost of the cost of Vinyl Acetate Monomer has seen volatility with the prices being ₹79.51 per kg in Fiscal 2019, ₹ 58.40 per kg in Fiscal 2020, ₹64.04 per kg in Fiscal 2021, and ₹136.24 for the three month period ended June 30, 2021.

Any increase in raw material prices may result in corresponding increases in our product costs and affect our gross margins. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers at competitive prices and consequently our gross margins and financial condition.

Capacity utilization and capacity expansion

Capacity utilization is affected by our product mix and the demand and supply balance, which in turn affects our gross profit margin. Our ability to maintain our profitability depends on our ability to optimize the product mix to support specialty products and products with consistent long-term demand; and the demand and supply balance of our products in the principal and target markets. Efficient capacity utilization allows us to spread our fixed costs, resulting in cost optimization. Manufacturing levels are affected by the number of lost days due to scheduled and unscheduled plant shutdowns. Our actual production levels and utilization rates may differ from the estimated manufacturing capacities of our facilities.

For details of our capacity utilization of all our manufacturing facilities for SCEs and PSAs, calculated on the basis of total installed production capacity and actual production, please see “*Our Business – Capacity and Capacity Utilisation*” on page 145.

Mundra Facility

The manufacturing facility at Mundra, commenced operations in Fiscal 2021. Accordingly, in Fiscal 2020, we did not earn any revenue from this facility. As of June 30, 2021, this facility had an estimated installed production capacity of 6,000 MTPA for SCE and PSA products.

We have set up our manufacturing facility in Mundra to focus on manufacturing products primarily for the export market. The Mundra facility is situated in an SEZ, which provides various tax benefits for exports, such as exemptions from profit and gains, additional depreciation, duty free imports inward supply of goods without levy of GST, exemption from state taxes and electricity duty. Our future growth strategy and success is, in part, dependent on realization of the anticipated benefits and export expansion which is envisaged for the Mundra facility.

Pricing pressure

Our customers are in industries such as paints, packaging, and chemicals for construction, textiles, leather, carpet and paper. These industries are characterised by intense competition and as such our customers are focused on reducing their costs. Our customers are generally aware of the prices for our raw materials and will negotiate with us to reduce our prices when our raw material costs decrease, which means our ability to keep our prices at the same level when our raw material costs decrease is constrained. Therefore, we may reduce the prices of our products in order to retain customers, which may have a material adverse effect on our revenues and margins.

Entering new markets and growing our network of distributors and direct customers

We have historically focused on distributors in international markets in order to grow our geographical footprint and exports. As of March 31, 2019, 2020, and 2021, and the three month period ended June 30, 2021, our distribution network comprised 163, 160, 149 and 121 distributors in India and abroad, respectively. There is significant untapped opportunity in international markets that can be capitalized, and our continued success is dependent on our ability to expand our distribution network in foreign markets.

Our ability to successfully enter and grow our network of distributors in new markets is dependent on our familiarity with the economic condition, end-customer base and commercial operations in these new regions. With limited presence in such new regions, our ability to gain market share within these regions is also dependent on our ability to compete with companies that may have an existing strong presence in these regions.

Non-GAAP Measures

EBIT, EBITDA, PAT, NWC, ROCE, ROE, ROA, EBITDA Margin, PAT Margin, EPS, Debt to Equity, Fixed Assets Turnover, and CAGR and others, (together, “**Non-GAAP Measures**”), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS 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.

In addition, EBIT, EBITDA, EBITDA Margin, capital employed, return on capital employed, return on equity, debt to equity ratio, pat margin, CAGR, return on fixed assets, current ratio, debt service coverage ratio, inventory turnover ratio, return on investment, net capital turnover ratio, trades receivables turnover ratio, trades payables turnover ratio and others, 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.

Reconciliation of EBITDA and EBITDA Margin to Restated Profit for the Year/ Period

The table below reconciles restated profit for the year/ period to EBITDA and EBITDA Margin.

EBITDA is calculated as sum of (i) Restated profit/(loss) for the period/year, (ii) Total tax expense, (iii) finance costs, and (iv) depreciation and amortization expense, as reduced by other income. EBITDA Margin is defined as EBITDA divided by Revenues from Operations.

(in ₹ million)

| Particulars | As at and for the three months period ended June 30, 2021 | As at and for the year ended March 31, 2021 | As at and for the year ended March 31, 2020 | As at and for the year ended March 31, 2019 |
|--|---|---|---|---|
| Restated profit for the year (A) (₹ in million) | 542.82 | 929.12 | 297.73 | 247.64 |
| Tax expense (B) (₹ in million) | 191.12 | 331.87 | 89.94 | 126.18 |
| Finance costs (C) (₹ in million) | 38.17 | 60.11 | 84.52 | 97.19 |
| Depreciation and amortisation and Impairment (D) (₹ in million) | 18.92 | 75.45 | 76.42 | 68.11 |
| Other income (E) | 53.79 | 108.32 | 73.69 | 60.38 |
| EBITDA (A+B+C+D-E) (₹ in million) | 737.24 | 1,288.23 | 474.92 | 478.74 |
| EBITDA | 737.24 | 1,288.23 | 474.92 | 478.74 |
| Revenues from operations | 4,384.28 | 10,857.17 | 9,013.71 | 9,176.94 |
| EBITDA Margin (%) (EBITDA / Revenues from Operations*100) | 16.82% | 11.87% | 5.27% | 5.22% |

For further details, please see “Other Financial Information”, “Our Business” and “Risk Factors” on pages 234, 131, and 25, respectively.

Significant Accounting Policies

The significant accounting policies adopted in the preparation of our Restated Consolidated Summary Statements is set forth below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

1. Summary of Significant accounting policies are set out below:

(a) Property, plant and equipment

Property, plant and equipment, other than Freehold Land, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Freehold land is carried at cost and is not depreciated. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Machinery spares that meet the definition of property, plant and equipment are capitalised and depreciated over the useful life of the principal item of an asset. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the year in which they are incurred.

Projects under commissioning and other CWIP/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the our Company, Subsidiaries and Associate (referred to as the “Group”) and the cost of the item can be measured reliably.

Advances given to acquire property, plant and equipment is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of 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 the sales proceeds and the carrying amount of the asset and is recognised in the Restated Consolidated Summary Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a written down value basis. Depreciation on additions/deletions during the year is provided on pro-rata basis from/up to the date of such addition/deletion.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Depreciation methods, estimated useful lives

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The Group uses written down value ('WDV') method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

| Property, plant and equipment | Useful Lives |
|--------------------------------------|---------------------|
| Leasehold land | Lease period |
| Factory Building | 30 years |
| Office Building | 60 years |
| Plant & Machinery | 25 years |
| Furniture and Fixtures | 10 years |
| Office Equipment | 5 years |
| Motor Vehicle | 12 years |

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

(b) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a written down value ('WDV') basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and amortisation expense in Restated Consolidated Summary Statement of Profit & Loss.

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Group uses written down value ('WDV') method and has used following useful lives to provide amortisation of different class of intangible assets.

| Intangible assets | Useful life |
|--------------------------|--------------------|
| Computer Software | 5 years |

(c) Research and Development Cost

Revenue expenditure pertaining to research is charged to the Restated Consolidated Ind AS Summary Statement of Profit and Loss. Development costs of products are also charged to the Restated Consolidated Summary Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised

for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

(d) Leases

As a Lessee

As a lessee, the Group generally recognises for all leases a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

As a general rule, the Group separates non-lease components, such as services from lease payments. Lease liabilities are measured at the present value of the remaining lease payments, taking into account the incremental borrowing rate.

Lease payments are discounted using the interest rate implicit in the lease contracts if that rate can be determined from the lease contracts. If the discount rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a risk free rate of interest which is adjusted for lease term, country risk and currency risk.

A right-of-use asset is generally recognized at the same amount as the lease liability. After capitalization at commencement date, whereby the right-of-use asset is measured at cost, the right-of-use asset is generally depreciated over the lease term using the straight-line method. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

A number of leases include extension and termination options. Extension and termination options are taken into account on recognition of the lease liability only if the Group is reasonably certain that these options will be exercised in the future. Estimates and expectations which are asserted at the commencement date of the lease liability and the right-of-use asset and pertain to future payments not yet determined on the date of provision are assessed continuously during the lease term. If subsequently improved or changed knowledge influences the expected payment profile over time, the lease liability is remeasured.

Initial direct costs are excluded for the measurement of right-of-use assets at the date of initial application. The Group exercises the exemption for lease arrangements with a maximum term of 12 months (short term leases) and low-value assets. Payments associated with such short-term leases and low-value assets are recognised as an expense in Statement of Profit and Loss. Variable lease payments that depend on usage and/ or other variable conditions are recognised in the Restated Consolidated Summary Statement of Profit and Loss in the period in which the conditions that trigger those payments occur.

(e) Inventories

Inventories which comprises raw materials, work in progress, finished goods, stock in trade and stores and spares are carried at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of actual operations. Cost of inventories also comprises of other costs incurred in bringing the inventories to their present location and condition. In determining cost, FIFO method is used.

The net realizable value of work in progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed the net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

(f) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks, cash on hand and short-term deposits, if any, with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown in current liabilities in the balance sheet.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft.

(g) Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Restated Consolidated Summary Statement of Profit and Loss, except in case of revalued assets.

(h) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised 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. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group 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 the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

(i) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities respectively. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Restated Consolidated Ind AS Summary Statement of Profit and Loss.

(i) *Classification and subsequent measurement:*

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On subsequent measurement financial assets are measured at:

- (1) Amortized cost; or
- (2) Fair value through Other Comprehensive Income (FVOCI); or
- (3) Fair value through Profit or Loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

- (1) ***Amortized cost:*** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, dividend income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- (2) ***Fair value through other comprehensive income (FVOCI):*** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- (3) ***Fair value through profit or loss:*** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Net gains and losses, including interest income from these financial assets is included in other income.

Investment in Equity Instruments

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI or FVTPL. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Dividend income received on such equity investments are recognised in profit or loss.

(ii) *Financial liabilities and equity instruments*

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest rate method.

Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

With respect to trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when Group:

- (1) has transferred the rights to receive cash flows from the financial assets; or
- (2) retains the contractual rights to receive the cash flows from financial assets, but assumes a contractual obligation to pay the cashflows to one or more recipients.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

(iv) ***Derecognition of financial liability***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(v) ***Derivative contracts***

The Group uses derivative financial instruments such as foreign exchange forward contracts to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(vi) ***Offsetting financial instruments***

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when, and only when, the Group currently has a legally enforceable right to offset the recognized amounts and it intends either to settle them on a net basis or realize the asset and settle the liability simultaneously.

(vii) ***Fair value measurement***

The Group measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Summary Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and 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 liability that are not based on observable market data (unobservable inputs).

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 inputs being the discount rate that reflects the credit risk of counterparty.

(j) Revenue Recognition

(i) Sale of goods

The Group recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in Ind AS 115 have been applied and accordingly:

- The Group does not adjust the promised amount of consideration for the effects of a significant financing component
- The Group recognises the incremental costs of obtaining a contract as an expense when incurred
- No information on remaining performance obligations as of period end/year end that have an expected original term of one year or less was reported.

(ii) Revenue from Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

(iii) Export benefits

Export benefits are recognised where there is reasonable assurance that such benefits will be received and all attached conditions will be complied with. Export benefits are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which such benefits are intended to compensate.

(iv) Trade receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue. Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

(v) Other Income

Interest

Interest Income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable, which the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's on net carrying amount on initial recognition.

Dividend

Dividend income from investments is recognised when the Group's right to receive dividend is established.

(k) Employee Benefits

(i) Short-term obligations

A liability is recognised for benefits accruing to employees in respect of wages and salaries, leaves in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(ii) Defined contribution plan

The Group's contribution to Employee Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and charged as an expense in the Statement of Profit and Loss on an accrual basis.

(iii) Defined benefit plans

The Group provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to profit or loss in subsequent periods.

(iv) Long term compensated absences

The employees of the Group are entitled to compensated absences for which the Group records the liability based on actuarial valuation computed using Projected Unit Credit method. These benefits are unfunded. Leaves under defined benefit plan can be encashed only on discontinuation of service by employee.

(l) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(m) Borrowing Cost

Borrowing costs consist of interest and other ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- (1) Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.
- (2) Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Taxes on income

Taxes on income comprises current tax and deferred tax

(i) Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

(o) Functional currency and Foreign Currency Transactions

(i) Functional and presentation currency

The Restated Consolidated Summary Statements are presented in Indian rupee (INR/₹), which is the Group's functional and presentation currency. Foreign currency transactions are recorded and presented in the functional currency by applying the exchange rate between the functional currency and the foreign currency prevailing at the dates of the transactions.

(ii) Translations

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

All monetary items in foreign currencies are restated at the end of each reporting period at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign exchange differences arising between the transaction date and the settlement/reporting date are recognised in the Statement of Profit and Loss.

(p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period which includes the impact on account of sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares outstanding during the period includes the impact on account of sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements

(q) Rounding off amounts

All amounts disclosed in Restated Consolidated Summary Statements and notes have been rounded off to the nearest million as per requirement of Schedule III of the Act, unless otherwise stated. Any amount appearing as Rs. 0.00 represent amount less than Rs. 5,000.

Principal Components of Statement of Profit and Loss

Income

Our total income comprises revenue from operations and other income. We generate majority of our revenue from manufacturing and supply of speciality coating emulsions (“SCE”), and pressure sensitive adhesives (“PSA”).

Revenue from operations

Our revenue from operations primarily includes revenue from supply of manufactured products in domestic as well as export markets, trading of raw materials, and other operating income.

Other income

Our other income primarily includes net gain from foreign currency transactions and translations, and other non-operating income.

Expenses

Our total expenses include the below mentioned expenses:

Cost of material consumed

Our material consumed and components primarily includes the opening stock of raw materials and packing materials at the beginning of the year, increased by the purchases and other incidental expenses incurred to bring the materials up to its storage location and reduced by the closing stock of such inventory at the end of the year. Our raw materials primarily comprise Butyl Acrylate Monomer, Vinyl Acetate Monomer, Styrene Monomer, packaging materials, and transportation costs incurred in delivering raw materials to our facilities.

Purchase of stock in trade

Our cost of purchase of stock in trade primarily include purchase of raw materials and packing materials which were traded during the period.

Changes in inventories of finished goods, stock-in-trade, and work-in-progress

Our cost of changes in inventories of finished goods, stock-in-trade, and work-in-progress primarily include changes in the stock at the end and at beginning of the year in respect of finished goods, stock-in-trade, and work-in-progress.

Employee Benefit Expense

Our employee benefit expense primarily include salaries, wages and bonus to the employees, directors remuneration, contribution to gratuity fund, provident fund and other funds and workman and staff welfare expenses.

Finance Costs

Our finance costs primarily include interest expense (net of interest capitalised), premium on forward contracts, exchange fluctuations on foreign currency loan, bank charges and commission.

Depreciation and Amortization Expense

Our depreciation and amortization primarily include depreciation on property, plant and equipment, right of use of assets and other intangible assets .

Other Expenses

Our other expenses primarily include outward freight and handling charges, power and fuel, job work charges, bad debts written off, legal and professional fees, commission on sales, maintenance charges, conveyance charges, rates and taxes, insurance charges, water charges, exhibition, sponsorship and other sales promotion expenses, rent expenses, CSR contribution, consumption of stores and spare parts, auditors' remuneration and other miscellaneous and administrative expenses.

Tax Expense

Our tax expenses primarily include current taxes and deferred taxes. Current tax primarily indicate the provision for income tax, which is levied on the income earned by our Company during the current financial period. Deferred tax indicates the provision for expenses/income arising in the current financial period on account of timing differences.

Profit for the Year

Profit for the year represents profit after tax.

Results of Operations Based on Our Restated Consolidated Summary Statements

The following table sets forth select financial data from our restated statement of profit and loss for the three month period ended June 30, 2021, Fiscals 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods:

(Amount in ₹ million)

| Particulars | Three months period ended June 30, 2021 | | Fiscal 2021 | | Fiscal 2020 | | Fiscal 2019 | |
|---|--|-------------------|------------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income |
| I. Revenue from operations | 4,384.28 | 98.79% | 10,857.17 | 99.01% | 9,013.71 | 99.19% | 9,176.94 | 99.35% |
| II. Other income | 53.79 | 1.21% | 108.32 | 0.99% | 73.69 | 0.81% | 60.38 | 0.65% |
| III. Total income (I + II) | 4,438.07 | 100.00% | 10,965.49 | 100.00% | 9,087.40 | 100.00% | 9,237.32 | 100.00% |
| IV. Expenses | | | | | | | | |
| Cost of material consumed | 2,927.32 | 65.96% | 7,432.90 | 67.78% | 6,663.32 | 73.32% | 7,036.54 | 76.18% |
| Purchase of stock-in-trade | 333.7 | 7.52% | 1,140.20 | 10.40% | 933.82 | 10.28% | 1,006.24 | 10.89% |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | -46.53 | -1.05% | -229.88 | -2.10% | 26.89 | 0.30% | -38.45 | -0.42% |
| Employee benefit expense | 98.42 | 2.22% | 334.9 | 3.05% | 287.94 | 3.17% | 264.44 | 2.86% |
| Finance costs | 38.17 | 0.86% | 60.11 | 0.55% | 84.52 | 0.93% | 97.19 | 1.05% |
| Depreciation and amortisation expense | 18.92 | 0.43% | 75.45 | 0.69% | 76.42 | 0.84% | 68.11 | 0.74% |
| Other expenses | 334.13 | 7.53% | 890.82 | 8.12% | 626.82 | 6.90% | 429.43 | 4.65% |
| Total expenses (IV) | 3,704.13 | 83.46% | 9,704.50 | 88.50% | 8,699.73 | 95.73% | 8,863.50 | 95.95% |
| V. Profit before tax (III - IV) | 733.94 | 16.54% | 1,260.99 | 11.50% | 387.67 | 4.27% | 373.82 | 4.05% |
| VI. Tax expense | | | | | | | | |
| Current tax | 191.8 | 4.32% | 345.24 | 3.15% | 104.21 | 1.15% | 131.65 | 1.43% |
| Deferred tax | -0.68 | -0.02% | -13.37 | -0.12% | -14.27 | -0.16% | -5.47 | -0.06% |
| Total tax expense (VI) | 191.12 | 4.31% | 331.87 | 3.03% | 89.94 | 0.99% | 126.18 | 1.37% |
| VII. Profit before share of loss of equity | 542.82 | 12.23% | 929.12 | 8.47% | 297.73 | 3.28% | 247.64 | 2.68% |

| Particulars | Three months period ended June 30, 2021 | | Fiscal 2021 | | Fiscal 2020 | | Fiscal 2019 | |
|--|--|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|
| | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income |
| accounted investee (V - VI) | | | | | | | | |
| VIII. Share of net loss of associate accounted using equity method | -0.11 | 0.00% | -0.31 | 0.00% | -1.26 | -0.01% | -0.13 | 0.00% |
| IX. Profit for the period/year (VII - VIII) | 542.71 | 12.23% | 928.81 | 8.47% | 296.47 | 3.26% | 247.51 | 2.68% |
| X. Other Comprehensive Income/(loss) ("OCI") | | | | | | | | |
| <i>A. Items that will not be reclassified to the Statement of Profit and Loss</i> | | | | | | | | |
| a. Re-measurement (losses) on defined benefit plans | -0.83 | -0.02% | -2.28 | -0.02% | -3.14 | -0.03% | -0.86 | -0.01% |
| b. Tax on above | 0.19 | 0.00% | 0.57 | 0.01% | 0.78 | 0.01% | 0.3 | 0.00% |
| <i>B. Items that will be reclassified to the Statement of Profit and Loss</i> | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Total other comprehensive income/(loss) for the period/year (net of tax) (X) | -0.64 | -0.01% | -1.71 | -0.02% | -2.36 | -0.03% | -0.56 | -0.01% |
| XI. Total comprehensive income for the period/year (IX - X) | 542.07 | 12.21% | 927.1 | 8.45% | 294.11 | 3.24% | 246.95 | 2.67% |
| Profit for the period/year attributable to: | | | | | | | | |
| Owners of the Company | 542.92 | 12.23% | 940.88 | 8.58% | 295.49 | 3.25% | 247.51 | 2.68% |
| Non-controlling interest | -0.21 | 0.00% | -12.07 | -0.11% | 0.98 | 0.01% | 0 | 0.00% |
| Other comprehensive income/(loss) for the period/year attributable to: | | | | | | | | |
| Owners of the Company | -0.64 | -0.01% | -1.71 | -0.02% | -2.36 | -0.03% | -0.56 | -0.01% |
| Non-controlling interest | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Total comprehensive income/(loss) for the period/year attributable to: | | | | | | | | |
| Owners of the Company | 542.28 | 12.22% | 939.17 | 8.56% | 293.13 | 3.23% | 246.95 | 2.67% |
| Non-controlling interest | -0.21 | 0.00% | -12.07 | -0.11% | 0.98 | 0.01% | 0 | 0.00% |
| Earnings per share (EPS) - Basic and diluted (in ₹) (Face value ₹ 5 each) (EPS for period April 2021 to June 2021 is not | 10.13 | | 17.55 | | 5.51 | | 4.62 | |

| Particulars | Three months period ended June 30, 2021 | | Fiscal 2021 | | Fiscal 2020 | | Fiscal 2019 | |
|---------------------------------------|--|----------------------|-------------------|-------------------------|-------------------|----------------------|-------------------|----------------------|
| | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income | (₹ in million) | % of Total Income |
| annualised) - post split and bonus | | | | | | | | |

Three month period ended June 30, 2021

Income

Our total income was ₹4,438.07 million for the three month period ended June 30, 2021, primarily comprising the below:

Revenue from operations

Our revenue from operations was ₹4,384.28 million for the three month period ended June 30, 2021, primarily comprising sale of goods in domestic and export markets, export incentives, income from job works, and scrap sales, due higher sales realizations (which have increased by 40.31% since 2019).

Other Income

Our other income was ₹53.79 million for the three month period ended June 30, 2021, primarily comprising of ₹ 51.29 million on account of foreign exchange gain.

Expenses

Our total expenses were ₹3,704.13 million for the three month period ended June 30, 2021, primarily comprising the below:

Cost of material consumed

Our cost of material consumed was ₹2,927.32 million for the three month period ended June 30, 2021, primarily comprising opening stock of ₹1,835.65 million, purchases and other incidental expenses of ₹2,891.75 million as reduced by closing stock of ₹1,800.08 million.

Purchase of stock in trade

Our cost of purchase of stock in trade was ₹333.70 million for the three month period ended June 30, 2021, primarily comprising traded raw materials and packing materials.

Changes in inventories of finished goods, stock-in-trade, and work-in-progress

Our changes in inventories of finished goods, stock-in-trade, and work-in-progress was ₹(46.53) million for the three month period ended June 30, 2021

Employee Benefit Expense

Our employee benefit expense was ₹98.42 million for the three month period ended June 30, 2021, primarily comprising salary, wages and bonus, Director remuneration, and other employee welfare expenses.

Finance Costs

Our finance costs were ₹38.17 million for the three month period ended June 30, 2021, primarily comprising interest expense for financial liabilities, interest on lease liabilities, forward premium charges, and other borrowing costs.

Depreciation and Amortization Expense

Our depreciation and amortization expense was ₹18.92 million for the three month period ended June 30, 2021, primarily comprising of depreciation on property, plant and equipment, right of use of assets, and amortisation of other tangible assets.

Other Expenses

Our *ether expenses* were ₹334.13 million for the three month period ended June 30, 2021, primarily comprising outward freight and handling charges, power and fuel, job work charges, legal and professional fees, and commissions on sales.

Earnings before interest, depreciation, tax and amortisation (EBIDTA)

Our EBIDTA was ₹737.24 million for the three month period ended June 30, 2021.

Tax Expense

Our tax expenses were ₹191.12 million for the three month period ended June 30, 2021, primarily comprising of current tax expense and deferred tax income.

Profit

Our profit was ₹542.71 million for the three month period ended June 30, 2021.

Total Comprehensive Income

Our total comprehensive income was ₹542.07 million for the three month period ended June 30, 2021.

Fiscal 2021 Compared to Fiscal 2020

Income

Our total income increased by 20.67% to ₹10,965.49 million for Fiscal 2021 from ₹9,087.40 million for Fiscal 2020, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 20.45% to ₹10,857.17 million for Fiscal 2021 from ₹9,013.17 million for Fiscal 2020, primarily due to increase in exports by 30% from ₹2,205.32 million in Fiscal 2020 to ₹2,872.72 million in Fiscal 2021. Further, the sales in respect of domestic markets also increased by 18% from ₹6,741.33 million in Fiscal 2020 to ₹7,928.32 million in Fiscal 2021. This was primarily driven by (i) increased demand for our products domestically as well as in export markets, and (ii) increase in prices of our products, which has resulted into higher sales revenues.

Further, our revenue from operations is the function of the sales volume and the sales prices. In addition to increase in demand of our products, there was also an increase in the average realisations from customers, which increased by 11.99% compared to Fiscal 2020.

Other income

Our other income increased by 46.99% to ₹108.32 million for Fiscal 2021 from ₹73.69 million for Fiscal 2020, primarily due to increase in foreign exchange gain by 62.64% from ₹56.93 million in Fiscal 2020 to ₹92.59 million in Fiscal 2021. This was partially off-set by decrease in interest income by 32.37% from ₹12.14 million in Fiscal 2020 to ₹8.21 million in Fiscal 2021 due to the reduction in placement of fixed deposits during the Fiscal 2021.

Expenses

Our total expenses increased by 11.55% to ₹9,704.50 million for Fiscal 2021 from ₹8,699.73 million for Fiscal 2020, on account of the factors discussed below.

Cost of material consumed

Our cost of material consumed increased by 11.55% to ₹7,432.90 million for Fiscal 2021 from ₹6,663.32 million for Fiscal 2020, primarily due to increase in sales in Fiscal 2021 coupled with the increase in average procurement prices in respect of key raw materials such as Butyl Acrylate Monomer, and Vinyl Acetate Monomer, and higher freight cost due to the COVID-19 pandemic.

Purchase of stock in trade

Our cost of purchase of stock in trade increased by 22.10% to ₹1,140.20 million for Fiscal 2021 from ₹933.82 million for Fiscal 2020, primarily due to increase in sale of traded raw materials and packing materials during Fiscal 2021 as compared to Fiscal 2020. Further, our average procurement prices also increased as compared to Fiscal 2020.

Changes in inventories of finished goods, stock-in-trade, and work-in-progress

Our changes in inventories of finished goods, stock-in-trade, and work-in-progress decreased by 954.89% to ₹(229.88) million for Fiscal 2021 from ₹26.89 million for Fiscal 2020, primarily due to increase in closing stock primarily comprising of finished goods of 180.19%, from ₹90.90 million for Fiscal 2020 to 254.69 million for Fiscal 2021. This was primarily driven by COVID-19 restrictions and supply chain constraints and to meet the pent-up demand for our products, on account of which elevated levels of inventories were retained as on March 31, 2021.

Employee Benefit Expense

Our employee benefit expense increased by 16.31% to ₹334.90 million for Fiscal 2021 from ₹287.94 million for Fiscal 2020, primarily due to increase in salaries, wages and bonus by 22.55% from ₹210.62 million for Fiscal 2020 to ₹258.11 million for Fiscal 2021, which is on account of increase in employee headcount coupled with annual increments. The increase in employee benefit expenses is partially offset by decrease in workmen and staff welfare expenses from ₹6.05 million in Fiscal 2020 to ₹3.27 million in Fiscal 2021 representing a decline of 45.95%.

Finance Costs

Our finance costs decreased by 28.88% to ₹60.11 million for Fiscal 2021 from ₹84.52 million for Fiscal 2020, primarily due to decrease in borrowing cost by 49.22% from ₹36.75 million for Fiscal 2020 to ₹18.66 million for Fiscal 2021 which was on account of the following:

- Decrease in interest expenses for financial liabilities from ₹8.36 million in Fiscal 2020 to ₹5.90 million in Fiscal 2021 representing a decline of 29.43%;
- Decrease in forward premium charges from ₹21.87 million in Fiscal 2020 to ₹11.87 million in Fiscal 2021 representing a decline of 45.72%;
- Decrease in other borrowing costs, which primarily comprises, bank charges on import and export related transactions, foreign currency fluctuations in respect of foreign currency bank borrowings and other service charges, from ₹36.75 million in Fiscal 2020 to ₹18.66 million in Fiscal 2021, representing a decline of 49.22%; and
- The above decrease is partially offset by increase in interest expenses in relation to lease liabilities and customs duties to ₹10.48 million and ₹13.20 million in Fiscal 2021 from ₹8.23 million and ₹9.31 million in Fiscal 2020, respectively.

Depreciation and Amortization Expense

Our depreciation and amortization expenses decreased marginally by 1.27% to ₹75.45 million for Fiscal 2021 from ₹76.42 million for Fiscal 2020.

Other Expenses

Our other expenses increased by 42.12% to ₹890.82 million for Fiscal 2021 from ₹626.82 million for Fiscal 2020, primarily due to:

- Increase in outward freight by 72.72% from ₹279.87 million for Fiscal 2020 to ₹483.40 million for Fiscal 2021;
- Increase in job work charges by 71.78% from ₹40.61 million for Fiscal 2020 to ₹69.76 million for Fiscal 2021 on account of increase in volumes manufactured by third party manufacturers;
- Increase in bad debts written off by 223.43% from ₹19.63 million for Fiscal 2020 to ₹63.49 million for Fiscal 2021 which is on account of trade receivables from customers being written off during Fiscal 2021; and
- Decline in legal and professional fees from ₹ 60.01 million in Fiscal 2020 to ₹ 38.46 million in Fiscal 2021 by 35.91%.

Earnings before interest, depreciation, tax and amortisation (EBIDTA)

As a result of the foregoing factors, our EBIDTA has increased by 171.25% from ₹474.92 million in Fiscal 2020 to ₹1,288.23 million in Fiscal 2021.

Tax Expense

Our tax expenses increased by 268.99% to ₹331.87 million for Fiscal 2021 from ₹89.94 million for Fiscal 2020, primarily due to increase in profit for Fiscal 2021 compared to Fiscal 2020.

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 213.29% to ₹928.81 million for Fiscal 2021 from ₹296.47 million for Fiscal 2020.

Total Comprehensive Income

As a result of the foregoing factors, our total comprehensive income has increased by 215.22% from ₹294.11 million in Fiscal 2020 to ₹927.10 million in Fiscal 2021.

Fiscal 2020 Compared to Fiscal 2019

Income

Our total income decreased by 1.62% to ₹9,087.40 million for Fiscal 2020 from ₹9,237.32 million for Fiscal 2019, on account of the factors discussed below.

Revenue from operations

Our revenue from operations decreased by 1.78% to ₹9,013.71 million for Fiscal 2020 from ₹9,176.94 million for Fiscal 2019, primarily due to a decrease in domestic sales by 7.42% from ₹7,281.70 million in Fiscal 2019 to ₹6,741.33 million in Fiscal 2020, which was partially offset by increase in export sales by 20.46% from ₹1,830.73 million in Fiscal 2019 to ₹2,205.32 million in Fiscal 2020. Lower sales were also attributable to the nation-wide lockdown implemented by the GoI with effect from March 24, 2020, which resulted in loss of sales during March 2020 and halt of all operations. The decrease was also attributable to decrease in average realisations from customers.

Other income

Our other income increased by 22.04% to ₹73.69 million for Fiscal 2020 from ₹60.38 million for Fiscal 2019, primarily due to increase in interest income on financial assets at amortised cost by 124.40% from ₹5.41 million in Fiscal 2019 to ₹12.14 million in Fiscal 2020, and an increase in other miscellaneous income, primarily including recovery of bad debts and other non-operating income.

Expenses

Our total expenses decreased by 1.85% to ₹8,699.73 million for Fiscal 2020 from ₹8,863.50 million for Fiscal 2019, on account of the factors discussed below.

Cost of material consumed

Our cost of material consumed decreased by 5.30% to ₹6,663.32 million for Fiscal 2020 from ₹7,036.54 million for Fiscal 2019, primarily on account of decrease in average procurement prices in respect of key raw material such as Butyl Acrylate Monomer, Styrene Monomer, Vinyl Acetate Monomer.

Purchase of stock in trade

Our cost of purchase of stock in trade decreased by 7.20% to ₹933.82 million for Fiscal 2020 from ₹1,006.24 million for Fiscal 2019, primarily due to decrease in traded sale of raw materials and packing materials in Fiscal 2020 as compared to Fiscal 2019. Further, our average procurement prices also decreased as compared to Fiscal 2019.

Changes in inventories of finished goods, stock-in-trade, and work-in-progress

Our changes in inventories of finished goods, stock-in-trade, and work-in-progress increased by 169.93% to ₹26.89 million for Fiscal 2020 from ₹(38.45) million for Fiscal 2019, primarily due to increase by 22.87% in opening stock of finished goods from ₹93.64 million in Fiscal 2019 to ₹115.06 million in Fiscal 2020, coupled with decrease by 21.00% in the closing stock of finished goods from ₹115.06 million in Fiscal 2019 to ₹90.90 million for Fiscal 2020.

Employee Benefit Expenses

Our employee benefit expenses increased by 8.89% to ₹287.94 million for Fiscal 2020 from ₹264.44 million for Fiscal 2019, primarily due to increase in salaries, wages and bonus by 14.63% from ₹183.74 million for Fiscal 2019 to ₹210.62 million for Fiscal 2020, which was on account of increase in the total headcount of employees and annual increments. This was also

partially offset by a decrease in the directors' remuneration from ₹67.30 million in Fiscal 2019 to ₹60.85 million in Fiscal 2020.

Finance Costs

Our finance costs decreased by 13.04% to ₹84.52 million for Fiscal 2020 from ₹97.19 million for Fiscal 2019, primarily due to:

- decrease by 77.43% in interest expenses for financial liabilities from ₹37.04 million in Fiscal 2019 to ₹8.36 million in Fiscal 2020;
- Decrease in forward premium charges by 1.09% from ₹22.11 million in Fiscal 2019 to ₹21.87 million in Fiscal 2020;
- Partially set off by (a) an increase by 8.63% in other borrowing costs, which primarily comprises, bank charges on import and export related transactions, foreign currency fluctuations in respect of foreign currency bank borrowings and other service charges, from ₹33.83 million in Fiscal 2019 to ₹36.75 million in Fiscal 2020, and (b) increase in interest expenses in relation to lease liabilities and customs duties to ₹8.23 million and ₹9.31 million in Fiscal 2020 from ₹1.77 million and ₹2.44 million in Fiscal 2019, respectively.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 12.20% to ₹76.42 million for Fiscal 2020 from ₹68.11 million for Fiscal 2019, primarily due to increase in depreciation on rights of use of assets from ₹2.16 million in Fiscal 2019 to ₹11.70 million in Fiscal 2020.

Other Expenses

Our other expenses increased by 45.97% to ₹626.82 million for Fiscal 2020 from ₹429.43 million for Fiscal 2019, primarily due to:

- increase in outward freight by 66.16% from ₹168.43 million for Fiscal 2019 to ₹279.87 million for Fiscal 2020. This is attributable to increase in the sales volume and an increase in the outward freight rates.
- Increase in job work charges by 1,181.07% from ₹3.17 million for Fiscal 2019 to ₹40.61 million for Fiscal 2020 which is on account of increase in volumes manufactured by third party manufacturers;
- Increase in legal and professional fees by 51.62% from ₹39.58 million for Fiscal 2019 to ₹60.01 million for Fiscal 2021; and
- Partially offset by decrease of 35.62% in bad debts written off from ₹30.49 million in Fiscal 2019 to ₹19.63 million in Fiscal 2020.

Earnings before interest, depreciation, tax and amortisation (EBIDTA)

As a result of the foregoing factors, our EBIDTA has marginally decreased by 0.80% from ₹478.74 million in Fiscal 2019 to ₹474.92 million in Fiscal 2020.

Tax Expense

Our tax expenses decreased by 28.72% to ₹89.94 million for Fiscal 2020 from ₹126.18 million for Fiscal 2019, primarily due to adoption of the new tax regime under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the current and deferred tax expense for Fiscal 2020, has been determined at the rate of 25.17% and (b) the deferred tax assets as of April 1, 2019, have been written down considering the enacted rate of 25.17%.

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 19.78% to ₹296.47 million for Fiscal 2020 from ₹247.51 million for Fiscal 2019.

Total Comprehensive Income

As a result of the foregoing factors, our total comprehensive income has increased by 19.10% from ₹246.95 million in Fiscal 2019 to ₹294.11 million in Fiscal 2020.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, and borrowings. As of June 30, 2021, we had ₹80.15 million in cash and cash equivalents, ₹7.78 million as bank balances, ₹1,169.90 million in short term borrowings and ₹427.84 million in term loans from banks (including current maturity of long term loans) (excluding deferred payment liabilities). 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 12 months following the date of this Draft Red Herring Prospectus.

In Fiscal Years 2019, 2020 and 2021, and the three month period ended June 30, 2021, our total liabilities based on our Restated Consolidated Summary Statements amounted to ₹1,832.25 million, ₹1,966.20 million, ₹4,341.20 million and ₹3,857.51 million, respectively.

There has been no incident of default of loans by the Company in the Fiscal Years 2019, 2020 and 2021, and three month period ended June 30, 2021.

Our Company has been rated by CRISIL Limited for its banking facilities. Set out below are the details of our current ratings:

| Instrument | Rating Agency | Rating | Outlook | Date of Rating Letter | Remarks |
|----------------------------|---------------|------------|------------------------|-----------------------|---------|
| Long-Term Bank Facilities | CRISIL | CRISIL A- | Stable (Reaffirmed) | March 25, 2021 | N.A. |
| Short-Term Bank Facilities | CRISIL | CRISIL A2+ | (Reaffirmed) | March 25, 2021 | N.A. |

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 Based on Restated Consolidated Summary Statements

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

(Amount in rupees million)

| Particulars | Three months ended June 30, 2021 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|--|----------------------------------|---------------|-----------------|---------------|
| Net cash flows generated from / (used in) operating activities | (742.00) | 432.27 | (307.31) | 836.60 |
| Net cash flows generated from / (used in) investing activities | (108.38) | (594.42) | (260.19) | (46.48) |
| Net cash flows generated from/ (used in) financing activities | 714.57 | 296.50 | 347.36 | (498.65) |
| Net increase/ (decrease) in cash and cash equivalents | (135.81) | 134.35 | (220.14) | 291.47 |

Operating Activities

Three months period ended June 30, 2021

Our net cash flow used in operating activities for the three months period ended June 30, 2021, was ₹ 742.00 million, which was primarily due to increase in working capital by ₹ 1,418.56 million. This is mainly attributable to decrease in trade payable of ₹ 1,430.33 million, increase in inventories and other assets by ₹ 11.91 million and ₹ 70.58 million respectively, direct taxes paid of ₹ 125.99 million, which was partially offset by operating profit before working capital ₹ 802.55, increase in current financial liabilities, provisions and other current liabilities by ₹ 67.38 million and ₹ 16.38 million respectively.

Fiscal 2021

Our net cash flows generated from operating activities for the Fiscal 2021, were ₹ 432.27 million, which was primarily due to Operating profit before working capital changes of ₹ 1,384.79 million, increase in trade payable by ₹ 1,929.16 million which were due to increased realisations. This was offset by increase in inventories and trade receivables by ₹ 1,422.55 million and 1,276.07 million respectively coupled with payment of direct taxes ₹ 270.80 million.

Fiscal 2020

Our net cash flows used in operating activities for the Fiscal 2020, were ₹ 307.31 million, which was primarily due to increase in changes in working capital by ₹ 741.77 million. This is mainly attributable to decrease in trade payable ₹ 368.24 million, increase in trade receivables, financial assets and other assets by ₹153.60 million, ₹ 80.40 million and ₹ 154.30 million respectively, direct taxes paid ₹ 110.70 million, which was partially offset by operating profit before working capital ₹ 545.16 million, increase in current financial liabilities, provisions and other liabilities by ₹ 4.96 million and ₹ 7.66 million respectively.

Fiscal 2019

Our net cash flows used in operating activities for the Fiscal 2019, was ₹ 836.60 million, which was primarily due to Operating profit before working capital changes of ₹ 498.52 million, increase in trade payable and other current financial liabilities by ₹ 489.32 million, ₹ 16.84 million respectively. Also, there was a decrease in the trade receivable, financial assets and other assets by ₹ 19.86 million, ₹ 14.27 million and ₹ 35.63 million. This was partially offset by increase in inventories by ₹ 86.81 million and payment of direct taxes ₹ 152.93 million.

Investing Activities

Three months period ended June 30, 2021

Our net cash flows used in investing activities for the three months period ended June 30, 2021, were ₹ 108.38 million, which was primarily due to acquisition of property, plant and equipment including movement in capital work-in-progress, capital advance of ₹ 117.93 million which was partially offset by proceeds from sale/disposal of property, plant and equipment ₹0.36 million, and proceeds of ₹ 7.88 million received from fixed deposits.

Fiscal 2021

Our net cash flows used in investing activities for Fiscal 2021 were ₹ 594.42 million, which was primarily due to acquisition of property, plant and equipment including movement in capital work-in-progress, capital advance of ₹ 587.60 million which was partially offset by proceeds from sale/disposal of property, plant and equipment of ₹ 1.61 million, and ₹ 15.69 million invested in fixed deposits.

Fiscal 2020

Our net cash flows used in investing activities for Fiscal 2020 were ₹ 260.19 million, which was primarily due to acquisition of property, plant and equipment including movement in capital work-in-progress, capital advance of ₹ 272.86 million which was partially offset by proceeds from sale/disposal of property, plant and equipment of ₹0.14 million, and received interest income of ₹ 12.14 million.

Fiscal 2019

Our net cash flows used in investing activities for Fiscal 2019 were ₹ 46.48 million, which was primarily due to acquisition of property, plant and equipment including movement in capital work-in-progress, capital advance of ₹ 48.42 million which was partially offset by proceeds from sale/disposal of property, plant and equipment of ₹ 2.33 million, and received interest income of ₹ 5.41 million.

Financing Activities

Three months period ended June 30, 2021

Our net cash flows generated from financing activities for the three months period ended June 30, 2021, were ₹ 714.57 million, which was primarily due to proceeds from short term borrowing ₹ 759.11 million (primarily for making import payments and reducing the trade payables), which was partially offset by repayment of long term borrowings by ₹ 8.95 million, payment of lease liabilities ₹ 6.70 million and other finance cost ₹ 31.72 million.

Fiscal 2021

Our net cash flows generated from financing activities for the Fiscal 2021, were ₹ 296.50 million, which was primarily due to proceeds from long term borrowings ₹ 413.50 million and proceeds from partners' capital (non-controlling interest) in subsidiary entity of ₹ 26.25 million, which was partially offset by repayment of short term borrowings of ₹ 83.10 million, payment of lease liabilities ₹ 14.50 million and other finance cost ₹ 45.65 million.

Fiscal 2020

Our net cash flows generated from financing activities for the Fiscal 2020, were ₹347.36 million, which was primarily due to proceeds from short term borrowings ₹ 440.24 million and proceeds from partners' capital (non-controlling interest) in subsidiary entity of ₹ 33.75 million, which was partially offset by repayment of long term borrowings of ₹ 4.68 million, payment of lease liabilities ₹ 13.36 million, payment of dividend and dividend distribution taxes ₹ 32.30 million and other finance cost ₹ 76.29 million.

Fiscal 2019

Our net cash flows used in financing activities for the Fiscal 2019, was ₹ 498.65 million, which was primarily due to payment of long term of ₹ 98.20 million (net of proceeds from long term borrowings ₹ 3.51 million) and short term borrowings of ₹ 302.71 million, payment of lease liabilities of ₹ 2.32 million and other finance cost of ₹ 95.42 million.

Indebtedness

As on September 30, 2021, the aggregated outstanding borrowings (including current and non-current borrowings) of our Company and Subsidiaries amounted to ₹ 4,128.56 million (fund based and non-fund based) on a consolidated basis, and a brief summary of such borrowings is set forth below:

| Category of borrowing | Sanctioned amount as on September 30, 2021 (₹ million) | Outstanding amount as on September 30, 2021 (₹ million) [#] |
|---|---|--|
| Borrowings of our Company and our Subsidiaries | | |
| Secured | | |
| Working capital facilities | | |
| Fund based* | 1,383.08 | 803.55 |
| Non-fund based** | 3,816.92 | 2,895.06*** |
| Other term loans | 426.98 | 426.98 |
| Interest accrued but not due | N.A. | 2.97 |
| Unsecured | | |
| Working Capital facilities | | |
| Non-Fund based | NIL | NIL |
| Total | 5,626.98 | 4,128.56 |

[#]As certified by D M K H & Co., Chartered Accountants, by way of certificate dated November 19, 2021.

* Includes the buyers credit of ₹ 283.08 million.

**Excludes letter of credits issued against 100% margins (i.e. fixed deposits) of ₹ 102.38 million from RBL Bank Limited and ₹ 41.33 million from ICICI Bank Limited.

*** Excludes LC amounts, which exceeds invoice values and have not been removed by banks in their outstanding reports.

For further information on our agreements governing our outstanding indebtedness, see "Financial Indebtedness" on page 267.

Contractual Obligations

The table below sets forth our contractual obligations as of June 30, 2021 as per the Restated Consolidated Summary Statements. These obligations primarily relate to our procurement of raw materials, packing materials, and capital expenditure.

(Amount in rupees million)

| | Total | Less than 1 year | 1 year to 5 years | More than 5 years |
|-----------------------------|-----------------|------------------|-------------------|-------------------|
| | (₹ in millions) | | | |
| Long-term borrowings | 427.84 | 69.44 | 358.40 | - |
| Short-term borrowings | 1,100.46 | 1,100.46 | - | - |
| Trade Payables | 1,783.44 | 1783.44 | - | - |
| Other financial liabilities | 200.58 | 195.45 | 5.13 | - |
| Lease liabilities | 120.42 | 7.21 | 56.89 | 56.32 |

| | Total | Less than 1 year | 1 year to 5 years | More than 5 years |
|--------------|-----------------|------------------|-------------------|-------------------|
| | (₹ in millions) | | | |
| Total | 3,632.74 | 3,156.00 | 420.42 | 56.32 |

Contingent Liabilities and Off-Balance Sheet Arrangements

The following table sets forth the principal components of our contingent liabilities as of June 30, 2021 as per the Restated Consolidated Summary Statements:

| Particulars | As of June 30, 2021 (₹ in millions) |
|--|--|
| Custom Duty | 16.66 |
| Bank Guarantee | 6.94 |
| Capital Commitments | |
| Estimated value of contracts for property, plant and equipment remaining to be executed and not provided for (net of capital advances) | 41.81 |
| Uncalled amount on account of member's interest in Dura Jesons LLC | 0.37 |
| Total | 65.78 |

Our Company does not have any off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see “*Restated Consolidated Summary Statements – Note 40 – Related Party Disclosures*” on page 221.

Impact of the COVID-19 pandemic

Our Statutory Auditors have included an Emphasis of Matter paragraph in our audit reports for the three months period ended June 30, 2021 and for each of the years ended March 31, 2021 and March 31, 2020, which is set out below:

“We draw attention to Note 2E(d) to Restated Consolidated Summary Statements which states that the management has made an assessment of the impact of COVID-19 on the Group’s and associate’s operations, financial performance and position for the three months period ended June 30, 2021 and for the year ended March 31, 2021 and March 31, 2020 and has concluded that there is no material impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the Restated Consolidated Summary Statements.”

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, foreign currency hedging instruments such as forward contracts and options. We have put in place appropriate risk management policies to limit the impact of these risks on its financial performance. The company ensures optimization of cash through fund planning and robust cash management practices.

Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carries interest at fixed rates. The management is responsible for the monitoring of the Companies interest rate position. Various variables are considered by the management in structuring the Group’s borrowings to achieve a reasonable, competitive cost of funding.

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for working capital loans. The following table demonstrates the sensitivity interest rate on that portion of borrowings which are not hedged, with all other variable held constant, our profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | As at June 30, 2021 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------|---------------------|----------------------|----------------------|----------------------|
| Increase in basis points | +50 bps | +50 bps | +50 bps | +50 bps |
| Impact on profit before tax | 1.91 | 3.91 | 2.27 | 0.04 |

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on profit before tax and pre-tax equity effect.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. We are exposed to the exchange rate risks as a significant portion of our revenue and expenditures are denominated in foreign currencies. We import certain of our raw materials, the price of which we are required to pay in foreign currency, which is in US\$. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of rupee against US\$ would decrease/increase the rupee value of debtors/creditors, respectively. To a certain extent the we use foreign exchange forward contracts to minimise the risk.

For further details, please see “*Financial Statements – Note 45 – Financial Risk Management Framework*” on page 226.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

For further information on maturity analysis of the our financial liabilities, see, “*Financial Statements – Note 49 – Liquidity Risk*” on page 228.

Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for purchase of plant and equipment. Our total capital expenditure including capital work in progress and capital advances, if any, for Fiscal 2019, Fiscal 2020, Fiscal 2021, and the three months period ended June 30, 2021, was ₹46.61 million, ₹167.28 million, ₹586.71 million and ₹125.26 million, respectively, which was incurred primarily towards addition of installed capacities at our manufacturing facilities at Mundra, Chennai and Roorkee, which was on account of capacity expansion of our manufacturing facilities situated at Mundra, Chennai and Roorkee.

Significant Economic Changes

Other than as described above under the heading titled “– *Impact of the COVID-19 pandemic*” and “*Principal Factors Affecting Our Financial Condition and Results of Operations*,” to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

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*” beginning on page 25. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will 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.

See “*Risk Factors - The extent to which the coronavirus disease (COVID-19) affects our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted*” for risks of the COVID-19 outbreak on our operations and financial condition.

New Products or Business Segments

Other than as described in “*Our Business*” on page 131 of this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

Seasonality of Business

Our business is subject to seasonal variations in certain end-user industries that we supply to, such as the paints and construction chemicals industry. For further details, please see “*Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations*” on page 41.

Suppliers or Customer Concentration

Except as disclosed in “*Risk Factors – We source our raw material from a limited number of suppliers with whom we have short term contracts or no contracts at all. Any increase in the cost of our raw material or other purchases, delay, interruption or reduction in the supply of raw materials to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition*” on page 31, we are not dependent on major customers or suppliers for a significant portion of our revenue.

Qualification Included by Auditors

There are no qualifications included in the Restated Consolidated Financial Statements.

Significant Developments After June 30, 2021

Except as disclosed below and stated in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to our knowledge, no circumstances have arisen since the date of the Restated Consolidated Summary Statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

- a. Our Subsidiary, Jesons Innovative Polymers Private Limited, has leased land admeasuring 26,594,75 sq. mtrs for a consideration of ₹64.90 million in the Dahej-2 Industrial area consisting of survey numbers 434/P, 470/P, 471/P, 449/P, 440/P, 467/P and 468/P in village Rahiyad Taluka Vagara District Bharuch from Gujarat Industrial Development Corporation on “*as is where is*” basis for setting up a plant for the synthetic acrylic polymer emulsions;
- b. Our manufacturing facility at Mundra expanded its overall capacity to 74,955 MTPA with effect from July 1, 2021.
- c. Pursuant to a resolution of our Board dated August 2, 2021 and Shareholders’ resolution dated August 20, 2021 equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Further, 35,740,800 equity shares were allotted to the shareholders of our Company pursuant to a bonus issue in the ratio of two new equity shares for each existing equity share held as on August 28, 2021, through capitalisation of the eligible reserves.

See “*Risk Factors - The extent to which the coronavirus disease (COVID-19) affects our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted*” for risks of the COVID-19 pandemic on our operations and financial condition.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Consolidated Summary Statements as at June 30, 2021, and as adjusted for the Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Statements*” and “*Risk Factors*” on pages 237, 182, and 25, respectively.

(in ₹ million)

| Particulars | Pre-Offer as at June 30, 2021 | As adjusted for the proposed Offer # |
|--|-------------------------------|--------------------------------------|
| Total Borrowings | | |
| Current borrowings*** | 1,100.46 | [●] |
| Non-Current borrowings *** | 358.40 | [●] |
| Current maturities of long term debt*** | 69.44 | [●] |
| Total borrowings (A) | 1,528.30 | [●] |
| Total Equity | | |
| Share Capital* | 89.35 | [●] |
| Other Equity* | 3,082.19 | [●] |
| Non-controlling interest* | 3.80 | [●] |
| Total equity (B) | 3,175.34 | [●] |
| Total capitalisation (A+B) | 4,703.64 | [●] |
| Ratio: Non-Current borrowings (including current maturity) /Total equity | 0.13 | [●] |
| Ratio: Total Borrowings/Total equity | 0.48 | [●] |

The above information has been extracted from the Restated Consolidated Summary Statement of our Company prepared in connection with the Offer.

* The above terms carry the meaning as per Division II of Schedule III to the Companies Act, 2013 (as amended).

Post-Offer capitalisation will be determined after finalisation of Offer Price in the Offer.

*** Borrowings does not include Lease liabilities as per Ind AS 116- Leases disclosed in the Restated Consolidated Summary Statement.

Pursuant to a resolution of our Board dated August 2, 2021 and Shareholders’ resolution dated August 20, 2021 equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. 35,740,800 equity shares were allotted to the shareholders of our Company pursuant to a bonus issue in the ratio of two new equity shares for each existing equity share held as on August 28, 2021, through capitalisation of the eligible reserves.

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries have availed credit facilities in their ordinary course of business for purposes such as, *inter alia*, meeting their working capital requirements and general corporate purposes.

For further details regarding the borrowing powers of our Board, see “*Our Management – Borrowing Powers of our Board*” on page 170.

As on September 30, 2021, the aggregated outstanding borrowings of our Company and Subsidiaries amounted to ₹ 4,128.56 million on a consolidated basis, and a brief summary of such borrowings is set forth below:

| Category of borrowing | Sanctioned amount as on September 30, 2021 (₹ million) | Outstanding amount as on September 30, 2021 (₹ million) [#] |
|---|---|--|
| Borrowings of our Company and our Subsidiaries | | |
| Secured | | |
| Working capital facilities | | |
| Fund based* | 1,383.08 | 803.55 |
| Non-fund based** | 3,816.92 | 2,895.06*** |
| Other term loans | 426.98 | 426.98 |
| Interest accrued but not due | N.A. | 2.97 |
| Unsecured | | |
| Working Capital facilities | | |
| Non-Fund based | NIL | NIL |
| Total | 5,626.98 | 4,128.56 |

[#]As certified by D M K H & Co., Chartered Accountants, by way of certificate dated November 19, 2021.

* Includes the buyers credit of ₹ 283.08 million.

**Excludes letter of credits issued against 100% margins (i.e. fixed deposits) of ₹ 102.38 million from RBL Bank Limited and ₹ 41.33 million from ICICI Bank Limited.

*** Excludes letter of credit amounts, which exceeds invoice values and have not been removed by banks in their outstanding reports.

For disclosure of borrowings as at March 31, 2021, as per requirements of Schedule III of Companies Act, 2013 and related accounting standards, see “*Financial Statements*” on page 182.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and 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. The spread varies amongst different facilities and typically ranges from 7.90% to 9.80% in case of our Company, and 7.90% to 8.30% in case of our Subsidiary.
2. **Tenor:** The tenor of our working capital facilities typically ranges from 12 months in case of our Company and subsidiaries. In case of term loan, the period is 6 years in case of our Subsidiaries. Tenor for buyers credit ranges between 90 to 120 days, where interest rates ranges at Libor plus 50-150 bps.
3. **Security:** The facilities are typically secured by creation of a charge on the immovable assets of our Company. Bank facilities availed by our Subsidiaries are secured by corporate guarantees of our Company, which are in existence as of September 30, 2021, and personal guarantees of Dhires Shashikant Gosalia and Madhavi Dhires Gosalia.
4. **Penal Interest:** The penal interest applicable is typically 2% over the applicable interest rate.
5. **Repayment:** Our facilities, being working capital facilities, are typically repayable on demand.

6. Restrictive covenants:

As per the terms of our facility agreements, certain corporate actions for which our Company / Subsidiaries require prior written consent of the lenders, include:

Company:

- (a) undertaking any scheme of amalgamation, compromise, reconstruction, consolidation, demerger or merger;
- (b) change in promoter shareholding/ change in promoter directorship, resulting in change in management control;
- (c) effecting any material change in the constitution or management of our Company;
- (d) changing the capital structure of our Company or dilution of shareholding of the promoter of our Company;
- (e) amending the Memorandum of Association and Articles of Association;
- (f) undertaking any new business, operations or projects or substantial expansion of any current business, operations or projects;
- (g) declaration of dividends or distribution of profits except where the instalments of principal and interest payable to a particular lender is being paid regularly and there are no irregularities in relation thereto; and
- (h) Breach of any covenant, undertaking or conditions set out in the facility documents or breach of agreement, representation or warranty which in the opinion of the bank is prejudicial to their interests.
- (i) Raising any loans/availing any facility/ies against the assets offered as security as facility/facilities of the bank

Subsidiaries:

- (a) Any change in the shareholding pattern of the Subsidiaries or transfer of shares, to be approved by lender of the Subsidiary.
- (b) undertaking any scheme of amalgamation, compromise, reconstruction, consolidation, demerger or merger;
- (c) change in promoter shareholding/ change in promoter directorship, resulting in change in management control;
- (d) effecting any material change in the constitution or management;
- (e) changing the capital structure or dilution of shareholding of shareholders;
- (f) amending the memorandum of association and articles of association;
- (g) undertaking any new business, operations or projects or substantial expansion of any current business, operations or projects;
- (h) declaration of dividends or distribution of profits except where the instalments of principal and interest payable to a particular lender is being paid regularly and there are no irregularities in relation thereto;
- (i) breach of any covenant, undertaking or conditions set out in the facility documents or breach of agreement, representation or warranty which in the opinion of the bank is prejudicial to their interests; and
- (j) raising any loans/availing any facility/ies against the assets offered as security as facility/facilities of the bank.

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) Bankruptcy, insolvency, dissolution;
- (d) Jeopardising the security created;
- (e) Change in control of our Company;
- (f) Misleading information and representations;
- (g) Default under any other financing arrangements of our Company; and
- (h) 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.

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) Appointment of nominee directors / observers;
- (e) Appointment of consultants; and
- (f) 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, see “*Risk Factors – We have incurred significant indebtedness and our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry*” on page 38.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings (ii) actions taken by statutory and/or regulatory authorities; (iii) outstanding claims related to direct or indirect taxes; (iv) other pending litigation/ arbitration as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, Subsidiaries, Promoter or Directors (“**Relevant Parties**”); or (v) litigation involving our Group Company which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five Fiscals, including any outstanding action.

For the purposes of (iv) above, in terms of the Materiality Policy adopted by resolution of our Board dated October 19, 2021:

Any outstanding litigation / arbitration proceedings (other than as covered in points (i) to (iii) above) involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:

- a.) The monetary amount of claim made by or against the entity or person in any such pending proceeding exceeds 1% of the consolidated profit after tax of our Company, as per the latest fiscal year in the Restated Consolidated Summary Statements, in this case being ₹ 9.29 million; or
- b.) wherein a monetary liability is not quantifiable for any other outstanding proceeding, or which does not fulfil the financial threshold as specified in (a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, position or reputation of our Company.

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties or Group Company from third parties (other than notices issued by statutory/regulatory authorities or tax authorities or notices threatening criminal action) have not and shall not, be considered as material litigation until such time that the Relevant Parties or Group Company, as the case may be, are impleaded as a defendant/s in proceedings before any judicial / arbitral forum.

We have disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of the Materiality Policy, creditors of our Company to whom amounts due by our Company is equal to or in excess of ₹ 89.17 million, being 5% of the consolidated trade payables of the Company as at the end of the latest period included in the Restated Consolidated Summary Statements, would be considered as material creditors.

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.

A. Litigation involving our Company

Outstanding criminal litigation

Outstanding criminal litigation filed by our Company

1. Our Company has filed a criminal complaint dated July 2, 2008 before the Chief Judicial Magistrate, Daman (“**Chief Judicial Magistrate**”) under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881, against M/s Marudhar Tanchem Private Limited, Navneet Bhaiya, Krishna Bhaiya and K.K Maheshwari (“**Accused**”), customers of glue and adhesive from our Company, for dishonour of post-dated cheques and payable at par cheque, together aggregating to ₹ 2.22 million. The Judicial Magistrate passed an order dated September 1, 2008 directing appearance of the Accused. Navneet Bhaiya, Krishna Bhaiya and K.K. Maheshwari have in turn filed two criminal writ petitions in January 2009 before the High Court of Bombay seeking *inter alia* quashing of the order passed by the Chief Judicial Magistrate and the proceeding initiated by our Company. The matter is presently pending.
2. Our Company has filed a criminal complaint dated December 16, 2013 before the Judicial Magistrate, First Class, Daman under Section 138 read with Section 143 of the Negotiable Instruments Act, 1881, against M/s Max Pack Tapes and Products Private Limited and others, customers of glue and adhesive from our Company, for dishonour of cheque dated October 9, 2013 for ₹ 0.65 million. The matter was transferred to the Judicial Magistrate - I, First Class, Palakkad, by way of court order dated July 15, 2015, which in turn directed that the matter be taken back to the the

Judicial Magistrate, First Class, Daman, since the cheque was deposited in that jurisdiction. The matter is presently pending.

3. Our Company has filed a criminal complaint dated November 24, 2017 before the Metropolitan Magistrate's 58th Court, Bandra under Sections 138 and 142 of the Negotiable Instruments Act, 1881, against Maxpack Tapes and Products Private Limited and its director, Abraham Arimatta Hil Jose, customer of glue and adhesive from our Company, for dishonour of cheque dated September 22, 2017 for ₹ 0.32 million. The matter is presently pending.
4. Our Company has filed a criminal complaint dated September 11, 2013 before the Judicial Magistrate, First Class, Daman ("Daman Court") under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, against M/s Fairmate Chemicals Private Limited and its director, Rakesh Shah, customer of glue and adhesive from our Company, for dishonour of cheques dated June 18, 2013 and June 20, 2013 together aggregating to ₹ 0.24 million. While the Daman Court initially directed that the matter be pursued before the appropriate court in Vadodara, the 13th Additional Chief Judicial Magistrate, Vadodara by way of order dated November 16, 2016 directed that the matter be taken back to the Daman Court, since the cheque was deposited in that jurisdiction. While the criminal proceeding continues, M/s Fairmate Chemicals Private Limited has initiated a suit for damages amounting to ₹ 0.30 million on February 24, 2014, along with interest at 12% per annum before the Civil Judge (S.D.) at Vadodara for alleged defect in the quality of bondex adhesive supplied by our Company, for which the post-dated cheques had been issued. M/s Fairmate Chemicals Private Limited had filed an application for condonation of delay in filing the suit, has been dismissed by the Principal Senior Civil Judge at Vadodara on October 22, 2021. The matter initiated by our Company is presently pending.
5. Our Company has filed a criminal complaint dated May 9, 2017 before the Metropolitan Magistrate's 58th Court, Bandra under Section 138 of the Negotiable Instruments Act, 1881, against Ruthar Moorthy, proprietor of M/s K.S.R. Paints, customer of acrylic emulsion from our Company, for dishonour of cheque dated March 7, 2017 for ₹ 0.17 million. The matter is presently pending.
6. Our Company has filed a criminal complaint dated September 2018 before the Metropolitan Magistrate's 58th Court, Bandra under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881, against Supreme Coated Board Mills Private Limited and its directors, customer of glue and adhesives from our Company, for dishonour of five cheques collectively aggregating to ₹ 1.98 million. The matter is presently pending.
7. Our Company has filed a criminal complaint dated January 30, 2019 before the Metropolitan Magistrate's 58th Court, Bandra under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, against Rajan Krishnan Nair, proprietor of Roshni Industries, customer of glue and adhesives from our Company, for dishonour of three cheques collectively aggregating of ₹ 1.35 million. The matter is presently pending.
8. Our Company has filed a criminal complaint dated February 20, 2019 before the Metropolitan Magistrate's 58th Court, Bandra under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881, against Plenum Impex Private Limited and its directors, customer of glue and adhesives from our Company, for dishonour of 29 cheques collectively aggregating to ₹ 25 million. The matter is presently pending.
9. Our Company has filed a criminal complaint in January 2020 before the Metropolitan Magistrate's 58th Court, Bandra under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, against Minesh C. Khara, proprietor of Sona Enterprises, customer of styrene monomer from our Company, for dishonour of eight cheques collectively aggregating to ₹ 15.63 million, of which ₹ 0.20 million has subsequently been paid. The matter is presently pending.
10. Our Company has filed a criminal complaint in February 2020 before the Metropolitan Magistrate's 58th Court, Bandra under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881, against MTech Paper Private Limited and others, customer of acrylic emulsion from our Company, for dishonour of four cheques collectively aggregating to ₹ 0.70 million, of which ₹ 0.05 million has subsequently been paid. The matter is presently pending.
11. Our Company has filed a criminal complaint in July 2020 before the Metropolitan Magistrate 7th Court, Dadar under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881, against M/s Orangee Colours and its partners, customer of acrylic emulsion from our Company, for dishonour of two cheques collectively aggregating to ₹ 0.58 million. The matter is presently pending.
12. Our Company has filed a criminal complaint in June 2021 before the Metropolitan Magistrate 7th Court, Dadar under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881, against Anchor Tapes Industries

and its partners, customers of glue and adhesive from our Company, for dishonour of three cheques collectively aggregating to ₹ 0.87 million. The matter is presently pending.

13. Our Company has filed a criminal complaint dated August 6, 2018 (“**Complaint**”) before the Metropolitan Magistrate’s 13th Court, Dadar, under Sections 406, 418 and 420 read with Section 34 of the Indian Penal Code, 1860 against Jaya Raghava Processing and its partners (“**Accused**”). The Accused placed three purchase orders between February 2017 and March 2017 for Polytex 50 SP-220 kg, and despite obtaining delivery of products without any claims of defect, payment of the invoices amounting to ₹ 0.28 million was not made. The Complaint therefore seeks that process be issued against the Accused. The matter is presently pending.

Outstanding criminal litigation filed against our Company

1. A criminal complaint dated November 2019 has been filed before the Judicial Magistrate First Class, Daman (“**Complaint**”) by the Pollution Control Committee, Daman and Diu, Daman against our Company, our Directors, Dhires Shashikant Gosalia, Madhavi Dhires Gosalia and another under Sections 15 and 16 read with Section 19(A) of the Environment (Protection) Act, 1986. The Complaint alleged that Unit I, Kachigam, Daman of our Company had expanded production of certain synthetic adhesive and primary ink beyond the quantum for which consent for production had been granted in the periods for 2015 to 2018. Accordingly, the Complaint sought *inter alia* warrant/process against our Company and the relevant Directors and appropriate punishment under the Environment (Protection) Act, 1986. Our Company had filed an application for discharge dated August 3, 2021 before the Chief Judicial Magistrate, Daman, on the grounds that the underlying complaint has been settled. The discharge application was rejected by an order of the Chief Judicial Magistrate, Daman, dated September 7, 2021. The matter is presently pending.
2. A criminal complaint dated January 15, 2020 has been filed before the Judicial Magistrate First Class, Daman (“**Complaint**”) by the Pollution Control Committee, Daman and Diu, Daman against our Company, our Directors, Dhires Shashikant Gosalia, Madhavi Dhires Gosalia and another under Sections 15 and 16 read with Section 19(A) of the Environment (Protection) Act, 1986. The Complaint alleged that Unit III, Kachigam, Daman of our Company had expanded production of polymers of vinyl acetate/ vinyl co-polymer/ polyvinyl alcohol beyond the quantum for which consent for production had been granted in the periods for 2015 to 2018. Accordingly, the Complaint sought *inter alia* warrant/ process against our Company and the relevant Directors and appropriate punishment under the Environment (Protection) Act, 1986. Our Company had filed an application for discharge dated August 3, 2021 before the Chief Judicial Magistrate, Daman, on the grounds that the underlying complaint has been settled. The discharge application was rejected by an order of the Chief Judicial Magistrate, Daman, dated September 7, 2021. The matter is presently pending.

Actions by statutory or regulatory authorities

1. Our Company has received a show cause notice dated December 15, 2020 (“**Show Cause Notice**”) from the Principal Additional Director General, Directorate of Revenue Intelligence, Ahmedabad, for violation of the Customs Act, 1962 (“**Customs Act**”), in connection with Merchandise Exports from India Scheme (“**MEIS**”) scrip purchased by our Company from Meghmani Organics Limited. Meghmani Organics Limited had allegedly wrongly classified their export products and availed MEIS benefits at a higher rate of 3% instead of the actual entitlement of 2%, and when certain MEIS scrips were transferred to other importers, including our Company, the higher benefit was availed by such importers. Accordingly, while the Show Cause Notice primarily addresses Meghmani Organics Limited, it also requires the other importers, including our Company, to show cause as to why the goods which have been imported by them with higher MEIS benefits (which in our Company’s case amounted to ₹ 0.64 million), should not be confiscated, as per Sections 111(m) and 111(o) of the Customs Act. Our Company has replied to the Show Cause Notice on January 19, 2021 alleging *inter alia* that our Company conducted the relevant diligence and procured the MEIS scrip, which was fully transferable, that no allegation has been made in the Show Cause Notice against our Company which enables the authorities to confiscate products as laid out in the Customs Act and that there has been no misdeclaration or miscalculation by our Company. By way of notice dated February 5, 2021, from the Principal Commissioner of Customs (Import), we have been informed that the Additional Director General (Adjudication), Directorate of Revenue Intelligence, New Delhi has been appointed as the common adjudicating authority in connection with the matters in the Show Cause Notice. The matter is presently pending.
2. Our Company has received a show cause notice dated February 19, 2021 (“**Show Cause Notice**”) from the Principal Additional Director General, Directorate of Revenue Intelligence, Ahmedabad, for violation of the Customs Act, 1962 (“**Customs Act**”), in connection with Service Export from India (“**SEIS**”) scrip purchased by our Company from Infostretch Corporation (India) Private Limited (“**Infostretch**”). Infostretch had allegedly obtained the SEIS scrips despite not providing services eligible for benefits under SEIS, and the SEIS scrips are sought to be cancelled. Accordingly, while the Show Cause Notice primarily addresses Infostretch, it also requires the importers to whom

the SEIS scrips were transferred, including our Company, to show cause as to why the goods which have been imported by them with ineligible SEIS benefits (which in our Company's case amounted to ₹ 10.09 million) should not be confiscated, as per Sections 111(m) and 111(o) of the Customs Act. Our Company has replied to the Show Cause Notice on April 12, 2021 alleging *inter alia* that the Show Cause Notice was issued without the Principal Additional Director General, DRI having appropriate jurisdiction, that our Company conducted the relevant diligence and procured the SEIS scrip, which was fully transferable, that no allegation has been made in the Show Cause Notice against our Company which enables the authorities to confiscate products as laid out in the Customs Act and that there has been no misdeclaration or miscalculation by our Company. The matter is presently pending.

3. Our Company has received show cause notice dated March 8, 2021 from the Additional Director General, Directorate of Revenue Intelligence, Bangalore for violation of the Customs Act, 1962 ("**Customs Act**"), in connection with Merchandise Exports from India Scheme ("**MEIS**") scrip purchased by our Company from Amandeep Singh Bal of Falcon Exports, M/s Metfab Export House and Alliance International ("**Transferor**"). The Transferor had allegedly wrongly claimed benefit under the MEIS by mis-stating its export product, and when certain MEIS scrips were transferred to other importers, including our Company, the benefit was availed of by such importers. Accordingly, while the Show Cause Notice primarily addresses the Transferor, it also requires the other importers, including our Company, to show cause as to why the goods which have been imported by them with higher MEIS benefits (which in our Company's case amounted to ₹ 1.85 million), should not be confiscated, as per Sections 111(d), 111(m) and 111(o) of the Customs Act and penalty under Section 112 of the Customs Act should not be levied. Our Company has replied to the Show Cause Notice on April 12, 2021 alleging *inter alia* that the Show Cause Notice was issued without the Principal Additional Director General, DRI having appropriate jurisdiction, that our Company conducted the relevant diligence and procured the MEIS scrip, which was fully transferable, that no allegation has been made in the Show Cause Notice against our Company which enables the authorities to confiscate products as laid out in the Customs Act and that there has been no misdeclaration or miscalculation by our Company. By way of notice dated April 13, 2021, the Show Cause Notice has been kept in abeyance till further direction, since the Supreme Court of India has held that the Additional Director General, DRI is not the proper officer to issue show cause notices under Section 28(4) of the Customs Act.
4. Our Company has received a show cause notice dated February 25, 2021 ("**Show Cause Notice**") from the Principal Additional Director General, Directorate of Revenue Intelligence, Ahmedabad in connection with Merchandise Exports from India Scheme ("**MEIS**") scrip purchased by our Company from Aqua World Exports Private Limited ("**Aqua World**"). Aqua World had allegedly obtained the MEIS scrips despite not providing products eligible for benefits under MEIS and through misclassification of products. Accordingly, while the Show Cause Notice primarily addresses Aqua World, it also requires the importers to whom the SEIS scrips were transferred, including our Company, to show cause as to why the goods which have been imported by them with ineligible MEIS benefits (which in our Company's case amounted to ₹ 1.08 million) should not be confiscated, as per Sections 111(m) and 111(o) of the Customs Act, and penalty should not be imposed in terms of Sections 112(a), 114AA and 117 of the Customs Act, along with recovery of the excess MEIS benefits received, with interest. Our Company has replied to the Show Cause Notice on April 12, 2021 alleging *inter alia* that the Show Cause Notice was issued without the Principal Additional Director General, DRI having appropriate jurisdiction, that our Company conducted the relevant diligence and procured the SEIS scrip, which was fully transferable, that no allegation has been made in the Show Cause Notice against our Company which enables the authorities to confiscate products as laid out in the Customs Act and that there has been no misdeclaration or miscalculation by our Company. The matter is presently pending.
5. Our Company has received a show cause notice dated March 28, 2014 ("**Show Cause Notice**") from the Commissioner of Customs, Kandla alleging violations of the Customs Act, 1962 ("**Customs Act**") by our Company. The Show Cause Notice alleged that the Duty Entitlement Passbook Scheme ("**DEPB**") license purchased by our Company from Ashutosh Tex-Prints Private Limited ("**Transferor**") had wrongly claimed excess benefit (which in our Company's case amounted to ₹ 2.65 million) under the DEPB, since the Transferor had over-valued the exported goods. The DEPB licenses, being freely transferable, were transferred to other importers, including our Company, and the excess benefit was allegedly availed of by such importers. Accordingly, the Show Cause Notice requires the importers, including our Company, to show cause as to why the duty and interest thereon under Sections 28 and 28AB of the Customs Act, as well as penalty under Section 114A of the Customs Act should not be sought. Our Company has replied to the Show Cause Notice on June 3, 2014 stating that there was no misdeclaration in imports and the DEPB licenses under which imports took place were genuine and valid, and that the claims under the Show Cause Notice were not sustainable against our Company. The matter is presently pending.
6. Our Company has received a show cause notice dated September 30, 2016 ("**Show Cause Notice**") from the Additional Director General (Adjudication), Directorate of Revenue Intelligence, Mumbai alleging violations of the Customs Act, 1962 ("**Customs Act**") by our Company. The Show Cause Notice alleged that the Focus Products Scheme ("**FPS**") license purchased by our Company from T.D. Rugs Private Limited ("**Transferor**") had been obtained by the Transferor through misrepresentation as the value of goods exported in the shipping bills had been

mis-declared. The FPS licenses, being freely transferable, were transferred to other importers, including our Company, and the benefit was allegedly wrongfully availed by such importers. Accordingly, the Show Cause Notice requires the other importers, including our Company, to show cause as to why duty under Sections 28 and Section 28AAA of the Customs Act, as well as penalty under Section 114A of the Customs Act, should not be sought. In our Company's case, the duty demand is for an amount of approximately ₹ 0.34 million. Our Company has replied to the Show Cause Notice on May 18, 2017 stating that there was no misdeclaration in imports and the FPS licenses under which imports took place were genuine and valid, and that the claims under the Show Cause Notice were not sustainable against our Company. The matter is presently pending

7. Our Company has received a direction dated April 30, 2019 (“**Direction**”) from the Pollution Control Committee, Daman and Diu, Daman, in relation to the production of certain synthetic adhesive and primary ink by our Company in excess of the quantity for which consent to operate had been received. The Direction identified violation of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 and directed that our Company's manufacturing activity at Unit I, Kachigam, Daman be stopped with immediate effect, and an amount of ₹ 6.84 million be paid as environment compensation, under the polluter pays principle. Our Company has replied to the Direction on May 9, 2019 stating *inter alia* that application had already been made for environmental clearance for the additional production, that no pollution had been alleged for the relevant period of inspection, accordingly, there ought to be no application of the polluter pays principle and that the matter was already *sub judice* in a separate criminal complaint. Our Company has already made the payment of ₹ 6.84 million on May 15, 2019. The Pollution Control Committee, Daman and Diu, Daman through a revocation letter dated May 29, 2019 revoked the direction to stop manufacturing activity subject to the following conditions: (a) that our Company would submit an application for renewal of consent to operate for manufacturing of Synthetic Adhesive- 3000 MT/ year; Textile Auxiliaries- 5400 MT/year and Primary Ink -600 MT/year (by way of mixing and blending only without any chemical reaction and usage of diazo eyes are not permitted) and boiler 600 kg/hr and DG Set 205 KVA, and till valid consent is obtained the manufacturing unit at Unit I, Kachigam, Daman would not produce any such products; and (b) any production over and above the consented quantity would lead towards action under Environment Protection Act, 1986. The revocation letter also specifically stated that if the above conditions are not complied with, necessary legal actions including closure of unit would be initiated without any further notice.
8. Our Company has received a direction dated April 30, 2019 (“**Direction**”) from the Pollution Control Committee, Daman and Diu, Daman, in relation to the production of certain polymers of vinyl acetate/ vinyl co-polymer/ polyvinyl alcohol by our Company in excess of the quantity for which consent to operate had been received. The Direction identified violation of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 and directed that our Company's manufacturing activity at Unit III, Kachigam, Daman be stopped with immediate effect, and an amount of ₹ 4.56 million be paid as environment compensation, under the polluter pays principle. Our Company has replied to the Direction on May 9, 2019 stating *inter alia* that application had already been made for environmental clearance for the additional production, that no pollution had been alleged for the relevant period of inspection, accordingly, there ought to be no application of the polluter pays principle and that the matter was already *sub judice* in a separate criminal complaint. Our Company has already made the payment of ₹ 4.56 million on May 15, 2019. The Pollution Control Committee, Daman and Diu, Daman through a revocation letter dated May 29, 2019 revoked the direction to stop manufacturing activity subject to the following conditions: (a) that our Company would submit an application for renewal of consent for manufacturing of glue from starch (by physical mixing and blending only) – 20,000 MTPA, and till valid consent is obtained the manufacturing unit at Unit III, Kachigam, Daman would not produce any such products; and (b) the unit would be allowed to manufacture the products ‘polymers of vinyl acetate – 600 MT/ year, vinyl co-polymers – 600 MT/year, acrylic polymers – 960 MT/year, polyvinyl alcohol solution – 100 MT/ year’, with two boilers – 600 kg/hour and GD set – 100 KVA. Any production over and above the consented quantity would lead towards action under Environment Protection Act, 1986. The revocation letter also specifically stated that if the above conditions are not complied with, necessary legal actions including closure of unit would be initiated without any further notice.
9. Our Company has received a show cause notice dated March 31, 2008 (“**Show Cause Notice**”) from the Additional Director General, Directorate of Revenue Intelligence, Ahmedabad, on the grounds that 900 MT of butyl acrylate monomer was purchased and imported into India from a seller who was not of Singaporean origin, and this was not disclosed to buyers who subsequently purchased the butyl acrylate from our Company. The Show Cause Notice alleges that our Company had knowledge regarding the origin of the seller, but in order for subsequent buyers to avail the benefit of a customs notification that allowed concessional rate of duty for products originating in Singapore, deliberately concealed this fact. The Show Cause Notice directed our Company to show cause as to why penalty under Section 112(b) of the Customs Act, 1962 should not be imposed on our Company for such concealment. Pursuant to the Show Cause notice, the Commissioner of Customs, Kandla imposed a penalty of ₹ 8.94 million on our Company by way of order dated January 30, 2009 (“**January 2009 Order**”). We filed an appeal against the January 2009 Order before the Customs Excise and Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad, which was rejected by order dated January 18, 2012. In April 2012, our Company filed a custom appeal before the

High Court of Gujarat praying that the orders against it be set aside and requesting the High Court of Gujarat to determine the substantive questions of law underlying the proceedings initiated against us. The matter is presently pending.

10. Our Company has received a summon dated July 28, 2021 from the Debts Recovery Tribunal Delhi (DRT 1) (“**DRT**”) (“**Summons**”) in connection with the recovery proceedings initiated by Kotak Mahindra Bank Limited against Sanatan Logistics Private Limited (“**Sanatan**”) and others for debts amounting to ₹ 126.80 million. In the instant proceeding, the DRT has directed all debtors of Sanatan, including our Company, to pay all payables to Sanatan. The receivables of Sanatan from our Company amount to ₹ 0.82 million. The matter is presently pending.
11. Our Company has received a notice of inquiry dated September 27, 2021 from the Deputy Director, Directorate of Revenue Intelligence, Kolkata Zonal Unit (“**Notice**”) on the grounds that importers, including our Company, have failed to pay social welfare surcharge, by availing benefit of exemption from payment of basic customs duty. The Notice alleges that for imports made by our Company from February 2, 2018, benefit of full exemption of basic customs duty, in respect of certain goods imported by us, was availed on the basis of certain notifications. However, the Notice states that such notifications did not exempt the payment of social welfare surcharge on the imports. Accordingly, the Notice requests our Company to make voluntary payment of the social welfare surcharge, along with interest, to avoid punitive action and to furnish details of imports made by our Company during the period from February 2, 2018 to August 31, 2021. The matter is presently pending.

B. Litigation involving our Subsidiaries

Our Subsidiaries are not party to any proceedings as of the date of this Draft Red Herring Prospectus.

C. Litigation involving our Promoter

Other than as disclosed in “*Litigation involving our Company*”, our Promoter is not party to any proceeding as on the date of this Draft Red Herring Prospectus.

D. Litigation involving our Directors (other than our Promoter)

Other than as disclosed in “*Litigation involving our Company*”, our Directors are not party to any proceedings as on the date of this Draft Red Herring Prospectus.

E. Tax proceedings against our Company, Subsidiaries, Promoter and Directors

Set out below are details of claims relating to direct and indirect taxes involving our Company, Subsidiaries, Promoter and Directors:

| Nature of case | Number of cases | Demand amount involved (₹ million)* |
|---|---------------------|-------------------------------------|
| <i>Our Company</i> | | |
| Direct tax | 1 | 0.45** |
| Indirect tax | 1 (Refer to Note 1) | 3.40 (Refer to Note 1)*** |
| <i>Subsidiaries</i> | | |
| Direct tax | Nil | Nil |
| Indirect tax | Nil | Nil |
| <i>Promoter</i> | | |
| Direct tax | 1 | Not quantifiable |
| Indirect tax | Nil | Nil |
| <i>Directors (other than Promoter)</i> | | |
| Direct tax | 1 [#] | Not quantifiable |
| Indirect tax | Nil | Nil |

* To the extent quantifiable

** Our Company has received intimation under section 143(1) of Income Tax act, 1961, that the department has erred in giving the TDS credit of ₹ 0.38 million reflecting in 26AS. After giving such credit there will be no demand.

***Apart from these cases, Company has also received one inquiry letter to submit relevant data from Director Revenue Intelligence (DRI) on September 28, 2021, in connection with the non-payment of social welfare surcharge on the imported goods in respect of which basic customs duty was exempt. The amount involved is not quantifiable.

[#] Against Madhavi Dhires Gosalia.

Note 1: Seven claims for ₹ 25.59 million have been disclosed and included under the head 'Actions by statutory or regulatory authorities' on page 272 and have accordingly not been included in this row.

F. Litigation involving our Group Company

There is no pending litigation involving our Group Company as on the date of this Draft Red Herring Prospectus, which will have a material impact on our Company.

G. Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company, shall be considered to be material (“**Material Creditors**”) for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor by our Company is equal to, or in excess of, 5% of the consolidated trade payables of our Company as at the end of the latest period in the Restated Consolidated Summary Statements (i.e., as at June 30, 2021). Accordingly, a creditor has been considered ‘material’ by our Company if the amount due to such creditor exceeds ₹ 89.17 million as on June 30, 2021. The details of our outstanding dues to material creditors, micro, small and medium enterprises, and other creditors (including capital creditors), as of June 30, 2021 are as follows:

| Particulars | Number of creditors | Amount involved (in ₹ million) |
|---|---------------------|--------------------------------|
| Micro, small and medium enterprises* | 12 | 9.95 |
| Material Creditor(s) | 5 | 1,081.22 |
| Other creditors (including capital creditors) | 551 | 708.25 |
| Total | 568 | 1,799.42 |

* As defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As certified by D M K H & Co., Chartered Accountants, by way of certificate dated November 19, 2021.

For further details about outstanding overdues to Material Creditors as on June 30, 2021, along with the name and amount involved for each such Material Creditor, see <https://www.jesons.net/corporate-governance.php>.

It is clarified that such details available on our Company’s 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, <https://www.jesons.net>, would be doing so at their own risk.

H. Material Developments

Except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 265, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, or any circumstances, which materially and adversely affect, or are likely to affect, in the next 12 months, trading or profitability of our Company or the value of its assets or its ability to pay liabilities.

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 our 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 material approvals, licenses, consents, registrations, and permits are valid as on the date of this Draft Red Herring Prospectus. 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.

I. Material approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*” on page 287.

II. Incorporation Details of our Material Subsidiary

For incorporation details our Material Subsidiary, see “*Our Subsidiaries and Associate Company*” on page 163

III. General Approvals in relation to our Company

Our Company has received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

A. Tax related approvals

1. Permanent Account Number AAACJ7659P issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.
2. Tax Deduction and Collection Account Number issued by the Income Tax Department under Income Tax Act, 1961 is MUMJ06269E.
3. Our Company has obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable in the states and union territories where we operate. The GST details of our Company are as under:

| Sr. No. | State | Taxpayer Type | GSTIN No. |
|---------|--------------------------------------|---------------------------|-----------------|
| 1 | Tamil Nadu | Regular | 33AAACJ7659P1ZY |
| 2 | Dadra & Nagar Haveli and Daman & Diu | Regular | 26AAACJ7659P2ZS |
| 3 | Dadra & Nagar Haveli and Daman & Diu | Regular | 26AAACJ7659P3ZR |
| 4 | Delhi | Regular | 07AAACJ7659P1ZT |
| 5 | Gujarat | Regular | 24AAACJ7659P1ZX |
| 6 | Maharashtra | Regular | 27AAACJ7659P1ZR |
| 7 | Maharashtra | Input Service Distributor | 27AAACJ7659P2ZQ |
| 8 | Uttarakhand | Regular | 05AAACJ7659P1ZX |

4. Import-export code number is 0300015704, which issued by the Additional Director General of Foreign Trade, Mumbai under the Foreign Trade (Development and Regulation) Act, 1992.
5. Letter of Undertaking (“LUT”) approval for export of goods and/ or services without payment of integrated tax issued under the Goods and Service Tax, 2017 are as under:

| Sr. No. | State | LUT No. | Date of Filing | GSTIN No. |
|---------|------------|-----------------|----------------|-----------------|
| 1 | Tamil Nadu | AD330321014621V | 22-03-2021 | 33AAACJ7659P1ZY |

| Sr. No. | State | LUT No. | Date of Filing | GSTIN No. |
|---------|--------------------------------------|-----------------|----------------|-----------------|
| 2 | Dadra & Nagar Haveli and Daman & Diu | AD260321000288K | 16-03-2021 | 26AAACJ7659P2ZS |
| 3 | Gujarat | AD240321013419K | 16-03-2021 | 24AAACJ7659P1ZX |
| 4 | Maharashtra | AD2703210318863 | 17-03-2021 | 27AAACJ7659P1ZR |
| 5 | Uttarakhand | AD0503210017001 | 17-03-2021 | 05AAACJ7659P1ZX |

B. Material approvals in relation to our business operations

- Consent to operate issued by the respective pollution control board under the Water (Prevention and Control of Pollution) Act, 1974 and Environmental Clearances wherever applicable.
- Consent to operate issued by the respective pollution control board under the Air (Prevention and Control of Pollution) Act, 1981.
- Authorisation for generation, storage and disposal of hazardous wastes issued by the respective pollution control boards, wherever applicable, under the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016.
- License to work a factory issued by the relevant State Government under the Factories Act, 1948.
- No objection certificate issued by the fire department of the local municipal corporations of the respective states where our manufacturing facility is located.
- Registrations/ approvals under BIS as provided under the Legal Metrology Act for our manufacturing facility.
- Registration cum membership certificate as a manufacturer exporter issued by the Plastic Export Promotion Council (PEPS) and Federation of Indian Exports Organisations (FIEO).
- License to import and store petroleum by the Joint Chief Controller of Explosives under the Petroleum Act, 1934 and Petroleum Rules, 2002.
- Certifications from Chief Electrical Inspector under the Electricity Act, 2003.
- Industrial License issued by Secretariat for Industrial Assistance, DIPP, Ministry of Commerce and Industry, Government of India.
- ISO Certification issued by TUV Nord Cert GmbH for our manufacturing units in Chennai Unit , Daman, Roorkee and office in Mumbai and R&D Center at Turbhe, Navi Mumbai.

C. Labour and commercial approvals

- Certificate of registration issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 for all manufacturing facilities.
- Certificate of registration issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948.
- Certificate of registration issued by the Contract Labour Regulation Department under the Contract Labour (Regulation and Abolition) Act, 1970.
- Registration number issued by the Directorate of Factories and Boilers under the Factories Act, 1948.
- Registration on Profession, Trades, Callings and Employment Act, 1976.
- Certificate of registration 820014736/ GS Ward/ Commercial II issued under Maharashtra Shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017 dated December 17, 2018 valid until December 16, 2023.

7. Certificate of registration R. DIS. 65/2017 issued under the Tamil Nadu Industrial Establishments (National and Festival Holidays) Rules, 1959 dated March 3, 2017.
8. Certificate of registration of establishment bearing number 201088386 registered as a commercial establishment under Delhi Shops & Establishment Act, 1954 dated November 3, 2017.

IV. Material approvals in relation to our Material Subsidiary

Our Material Subsidiary has received the following material approvals, licenses, consents, registrations, and permits pertaining to its business:

A. Tax related approvals

1. Permanent Account Number AAPFJ6543G issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.
2. Tax Deduction and Collection Account Number issued by the Income Tax Department under Income Tax Act, 1961 is MUMJ22150C.
3. Our Material Subsidiary has obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable in the states and union territories where it operates. The GST registration number of our Material Subsidiary is 27AAPFJ6543G1Z0, for the state of Maharashtra, and 24AAPFJ6543G1Z6, for the state of Gujarat where the offices of our Material Subsidiary is located in.
4. Import-export code number is AAPFJ6543G, which is issued by the Director General of Foreign Trade, Mumbai under the Foreign Trade (Development and Regulation) Act, 1992.
5. Letter of Undertaking (“LUT”) approval for export of goods and services without payment of integrated tax issued under the Goods and Service Tax, 2017 are as under:

| Sr. No. | State | LUT No. | Date of Filing | GSTIN No. |
|---------|-------------|-----------------|----------------|-----------------|
| 1 | Gujarat | AD240321014388G | 17-03-2021 | 24AAPFJ6543G1Z6 |
| 2 | Maharashtra | AD270321031923D | 17-03-2021 | 27AAPFJ6543G1Z0 |

B. Material approvals in relation to its business operations

1. Consent to operate issued by the respective pollution control board under the Water (Prevention and Control of Pollution) Act, 1974 and Environmental Clearances wherever applicable.
2. Consent to operate issued by the respective pollution control board under the Air (Prevention and Control of Pollution) Act, 1981 and Environmental Clearances, wherever applicable.
3. Authorisation for generation, storage and disposal of hazardous wastes (Consent Order no. AWH-108444 dated August 22, 2020) issued by the respective pollution control boards, wherever applicable, under the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016.
4. No objection certificate issued by the fire department of the local municipal corporations of the respective states where our manufacturing facility is located.
5. Letter of approval bearing number APSEZ/30/JESONS/2019-2020/264-265 dated August 27, 2019 as amended vide letter number APSEZ/30/JESONS/2019-2020/372 dated November 8, 2020 and Letter of Approval for broad branding request for trading activity bearing number APSEZ/30/JESONS/2019-2020/165 dated May 21, 2021 for all the facilities and entitlements admissible to a unit in Special Economic Zone subject to the provision of the Special Economic Zone Act, 2005 and the rules and orders made thereunder for establishment of a unit, issued by the Office of Development Commissioner, Ministry of Commerce and Industry for our manufacturing facility in APSEZ, Mundra, Gujarat.

6. Development Permission dated January 11, 2020 granted by Town Planning Officer, APSEZ Development Committee.
7. Commencement of Authorized Operation dated August 20, 2020 issued by Specified Officer, Office of the Development Commissioner, Adani Port & Special Economic Zone (APSEZ), Mundra.
8. Registration/ approval (certificate no. 1747735/KUT/2021/01 dated May 10, 2021) under BIS as provided under the Legal Metrology Act issued by the Office of Controller, Legal Metrology,
9. License to work a factory bearing number 20297 issued by the Directorate Industrial Safety and Health, Adipur, Kutch, under the Factories Act, 1948, valid up to December 31, 2030.
10. Registration cum membership certificate as a manufacturer exporter issued by the Export Promotion Council for EOU's and SEZ's (EPCES) and Federation of Indian Export Organisation (FIEO).
11. License to import and store petroleum by the Joint Chief Controller of Explosives under the Petroleum Act, 1934 and Petroleum Rules, 2002.
12. Certifications from Chief Electrical Inspector under the Electricity Act, 2003.
13. Industrial Entrepreneurs Memorandum IEM265459 dated December 2, 2019 for manufacture of chemical products or preparations of a kind used in the textiles, paper, leather and like industries issued Secretariat for Industrial Assistance, Ministry of Commerce and Industry.

C. Labour and commercial approvals

1. Certificate of registration (code number GJRAJ2064615000) dated January 27, 2020 issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 for all manufacturing facilities.
2. Certificate of registration dated March 11, 2020 issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948.
3. Certificate of registration (Registration No. KTC/2019/CLRA/51 dated November 29, 2019) issued by the Contract Labour Regulation Department under section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder.
4. Registration number issued by the Directorate of Factories and Boilers under the Factories Act, 1948.
5. Registration on Profession, Trades, Callings and Employment Act, 1976 for its manufacturing units in Gujarat and Mumbai.
6. Certificate of registration GJRAJ2064615000 issued under Maharashtra Shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017

V. Specific Business Related Approvals for our Company and our Material Subsidiary

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals that are obtained by the manufacturing units of our Company and our Material Subsidiary for conducting operations is provided below.

Daman Unit I:

1. Consent to Establish bearing number PCC/DDD/G-2255/KG/AA/99-2000/0804 dated November 12, 1999 issued by the Pollution Control Committee (Daman & Diu and Dadra & Nagar Haveli) for manufacturing 3,000 MTPA of Synthetic Adhesives and 5,400 MTPA of Textiles Auxiliaries valid up to November 30, 2000.
2. Consent to Establish bearing number PCC/DDD/G-2255/ WA/AA/KG/AA/99-00/748 dated November 17, 2011 issued by the Pollution Control Committee (Daman & Diu and Dadra & Nagar Haveli) for manufacturing 600

MTPA of Primary Ink (by mixing and blending only without any chemical reaction and usage of diazo dyes are not permitted) valid up to October 30, 2012.

3. Consolidated Consent and Authorization Renewal Certificate No. PCC/DDD/G-2255/WA/AA/KG/99-00/559989 issued by the Pollution Control Committee (Daman & Diu and Dadra Nagar Haveli) granted for a period of up to February 28, 2023 for manufacturing 3000 MTPA of Synthetic Adhesives, 5400 MTPA of Textile Auxiliaries and 600 MTPA of Primary Ink.
4. Environment Clearance dated June 10, 2021 for expansion of construction, Synthetic Acrylic Polymer Emulsions, Industrial Synthetic Adhesives, Glue and Adhesives granted by the Ministry of Environment, Forest and Climate Change for manufacturing 250 TPM of Synthetic Adhesives, 450 TPM of Textile Auxiliaries, 800 TPM of Vinyl Polymers, 835 TPM of Acrylic Polymers, 170 TPM of Glue & Adhesives and 50 TPM of Primary Ink (By mixing and blending without chemical reaction and usage of diazo dyes).
5. Certificate of Bio-Medical Waste bearing number 2864 issued by En-Cler Biomedical Waste Private Limited having a membership code: IN0136 issued at Vapi on July 13, 2021, valid up to June 30, 2022.
6. License to work a factory bearing number 1658 valid up to December 31, 2021.
7. Fire NOC bearing number DFES/DMN/AREN-NOC/119/ADFO/2021 issued by the U.T. Administration of Dadra & Nagar Haveli and Daman & Diu, Department of Fire & Emergency Services valid up to February 1, 2022.
8. No Objection Certificate issued by Kachigam, Nani Daman bearing number VP/N O.C/ 99-2000/ 156 issued on August 31, 1999 for setting up small scale industry for manufacturing Synthetic Adhesives and Textile Auxiliaries subject to conditions set out.
9. Petroleum License B bearing number P/WC/DD/15/12 (P378692) issued by the Ministry of Commerce and Industry, Petroleum & Explosives Safety Organisation (PESO) for installing 21.70 KL in bulk, valid up to December 31, 2026.
10. Certificate of Verification issued by the Legal Metrology Office in Daman bearing number 317 valid up to June 10, 2022.
11. Renewal for Self-sealing for export goods in container under e-sealing procedure bearing number S/6-Gen-Self-sealing-3582/2020-21 EXP-FSP/ 3171 issued by the Office of the Commissioner of Customs (General) on March 25, 2021 valid up to December 31, 2023.
12. Contract Labour License dated July 30, 2021 bearing number LE/LI/DMN/RE-296/2021 issued by the Office of Registering Officer, Daman under the Contract Labour (Regulation and Abolition) Act, 1970 valid up to March 31, 2022.
13. Installation of 250 KVA DG set & associated equipments approval bearing number WRIO/DD/Kachigam/JIL/A-8619/SE/2021/2681-82 dated September 29, 2021, issued by the Central Electricity Authority, Mumbai.

Daman Unit III:

1. Consent to Establish bearing number PCC/DMN/5-3465/96-97/923 dated July 2, 1996 issued by the Pollution Control Committee Daman & Diu and Dadra & Nagar Haveli for manufacturing 600 MTPA of Polymers of Vinyl Acetate, 600 MTPA of Vinyl Co-Polymers, 960 MTPA of Acrylic Polymers, 100 MTPA of Poly Vinyl alcohol solution valid up to June 30, 1997.
2. Consent to Establish bearing number PCC/DDD/O-720/WA/ICG/96-97/159 dated June 9, 2017 issued by the Pollution Control Committee Daman & Diu and Dadra & Nagar Haveli for manufacturing 20,000 MTPA of Glue from Starch (by physical mixing and blending only) valid up to April 30, 2018.
3. Consolidated Consent and Authorization Renewal bearing number PCC/DDD/O-720.WA/AA/KG/96-97/397677 dated July 29, 2019 issued by the Pollution Control Committee Daman & Diu and Dadra Nagar Haveli for manufacturing 20,000 MTPA of Glue and Starch (by physical mixing and blending only) valid up to January 31, 2022.

4. Environmental Clearance dated June 11, 2021 for production of Synthetic Organic Chemicals issued by the Ministry of Environment, Forest and Climate Change for manufacturing 600 TPA of Polymers of Vinyl Acetate, 600 TPA of Vinyl Co-Polymers, 22,700 TPA of Acrylic Polymers and 100 TPA of Polyvinyl Alcohol Solution.
5. Consent to Establish bearing number PCC/DDD/O-720/WA/AA/KG/96-97/909738 dated August 6, 2021 issued by the Pollution Control Committee Daman & Diu and Dadra Nagar Haveli for manufacturing 21740 MTPA of Acrylic Polymers valid up to June 30, 2022.
6. No Objection Certificate for Ground Water Extraction bearing number CGWA/NOC/IND/ORIG/2021/12052 issued by the Ministry of Jal Shakti valid from March 4, 2021 to March 3, 2024.
7. Certificate bearing number 4100000338 issued by the Green Gene Environ Protection and Infrastructure Private Limited for integrated common hazardous waste management facility of 10.000 TPA of Adhesive Waste and 2.000 TPA of ETP Sludge valid from April 15, 2020 to April 14, 2025.
8. License to work a factory bearing number 2759 valid up to December 31, 2021.
9. Fire NOC bearing number DFES/DMN/AREN-NOC/98/ADFO/2021 issued by the U.T. Administration of Dadra & Nagar Haveli and Daman & Diu, Department of Fire & Emergency Services valid up to January 3, 2022.
10. No Objection Certificate issued by Kachigam Nani Daman bearing number VP/N O.C/ 97-98/ 22 issued on February 11, 1998 for setting up small scale industry for manufacturing Polymers of Vinyl Acetate, Vinyl Co-Polymers, Acrylic Polymers, Poly Vinyl Alcohol Solution and Organic Chemical Mixtures subject to conditions set out.
11. Renewal for Self-sealing for export of goods in container under e-sealing procedure bearing number S/6-Gen-Selg Sealing-3583/2020-21 EXP-FSP/3172 issued by the Office of the Commissioner of Customs (General) on March 25, 2021 valid up to December 31, 2023.
12. Installation of 200 KVA DG set & associated equipments approval bearing number WRIO/DD/Kachigam/JIL/A-8618/SE/2021/2679-80 dated September 29, 2021, issued by the Central Electricity Authority, Mumbai.

Roorkee Plant:

1. Consent to Establish bearing number UEPPCB/ HO/ NOC-1156/08/58 dated April 23, 2008, issued by the Uttarakhand Environmental Protection and Pollution Control Board for manufacturing 80 TPD of Polymers of Vinyl Acetate, Vinyl Copolymers and Acrylic Polymers.
2. Environmental Clearance bearing number EC-39/2010/253 dated March 3, 2010 issued by the State Level Environment Impact Assessment Authority for manufacturing of Synthetic Adhesives - 15MT/day, Glue & Adhesives – 15MT/day, Construction Chemicals -15MT/day, Baby & Clinical Dipers -10000 Nos/day, Other/ Sanitary Napkins – 10000 Nos/day and Polymers of Vinyl Acetate, Vinyl Copolymers and Acrylic Polymers – 80MT/day.
3. Environmental Clearance bearing number 201-05(10)/2019 dated March 19, 2021 issued by the State Level environment Impact Assessment Authority for manufacturing 4755 MT of Acrylic Polymers Emulsions, Polymers of Vinyl Acetate and Vinyl Copolymers, 450 MT of Construction chemicals, 450 MT of Glue & Adhesive, 450 MT of Synthetic Adhesive and 1350 MT of Solvent Based Adhesive.
4. Consent Order (Consolidated Consent and Authorization) bearing number 507/UEPPCB/Roorkee RO/ Haridwar/CTO/1021287 issued by the Uttarakhand Pollution Control Board to manufacture 2,400 MT of Acrylic Polymers, 2400 MT of Polymers of Vinyl Acetate, 2,400 MT of Vinyl Copolymers, 450 MT of Construction chemicals, 450 MT of Glue & Adhesives and 450 MT of Synthetic Adhesives valid up to March 31, 2022.
5. No Objection Certificate (NOC) for Ground Water Abstraction bearing number CGWA/NOC/IND/REN/1/2021/5787 issued by the Ministry of Jal Shakti, valid from February 6, 2021 to February 5, 2024.
6. License to work a factory bearing number HWR-634 valid up to December 31, 2021.
7. Fire NOC bearing number 6/CFO-R/2021 valid up to May 18, 2022.

8. Petroleum License bearing number P/HQ/UC/15/678 (P379395) issued by the Ministry of Commerce and Industry, Petroleum & Explosives Safety Organisation (PESO) for installing 35.00 KL in bulk, valid up to December 31, 2026 under class B.
9. Petroleum License bearing number A/P/CD/UC/15/1 (P333377) granted by the Ministry of Commerce and Industry, Petroleum & Explosives Safety Organisation (PESO) to store petroleum not exceeding 33 KL under Class C.
10. Installation of 250 KVA GD set generator and 125 KVA DG set generator bearing number 204 S.V.N./ 24(2)/ Roorkee Zone/ 2015.
11. License bearing number 002492 passed by the Zila Parishad/ Area Committee District Panchayat District Haridwar valid from April 1, 2021 to March 31, 2022.

Chennai Unit:

1. Environmental Clearance bearing number IA/TN/IND2/28719/2014 dated February 17, 2016 issued by the Ministry of Environment, Forest and Climate Change for expansion of Synthetic Organic Chemicals (mainly Acrylic Polymer Emulsions, Styrene Acrylic Copolymer, Organic coloring matters, Paper Chemical Emulsions, Solvent based Adhesives) manufacturing unit from 41,400 TPA.
2. Consent to Establish bearing number 160124511484 dated July 22, 2016, issued by the Tamil Nadu Pollution Control Board, under the Air (Prevention and Control of Pollution) Act, 1981 to manufacture 60 tons of Synthetic Acrylic Polymer Emulsions per day, 8 tons of Industrial Synthetic Adhesives and Glues per day, 30 tons of Thermosetting Acrylic Resins, Ethylene vinyl acetate Emulsions per day, 12 tons of Polymer of Vinyl Acetate per day, 8 tons of Vinyl Copolymers per day, 20 tons of Water proofing compounds and Construction emulsions per day.
3. Consent to Establish bearing number 160114511484 dated July 22, 2016, issued by the Tamil Nadu Pollution Control Board, under the Water (Prevention and Control of Pollution) Act, 1974 to manufacture 60 tons of Synthetic Acrylic Polymer Emulsions per day, 8 tons of Industrial Synthetic Adhesives and Glues per day, 30 tons of Thermosetting Acrylic Resins, Ethylene vinyl acetate Emulsions per day, 12 tons of Polymer of Vinyl Acetate per day, 8 tons of Vinyl Copolymers per day, 20 tons of Water proofing compounds and Construction emulsions per day.
4. Consent Order bearing number 2008230993844 dated March 20, 2020 issued by the Tamil Nadu Pollution Control Board under the Air (Prevention and Control of Pollution) Act, 1981, for manufacturing 60 tons of Synthetic Acrylic Polymer Emulsions per day, 8 tons of Industrial Synthetic Adhesives and Glues per day, 30 tons of Thermosetting Acrylic Resins, Ethylene vinyl acetate Emulsions per day, 12 tons of Polymer of Vinyl Acetate per day, 8 tons of Vinyl Copolymers per day and 20 tons of Water proofing compounds and Construction emulsions per day, valid up to March 31, 2022.
5. Consent Order bearing number 2008230993844 dated March 20, 2020 issued by the Tamil Nadu Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974, for manufacturing 60 tons of Synthetic Acrylic Polymer Emulsions per day, 8 tons of Industrial Synthetic Adhesives and Glues per day, 30 tons of Thermosetting Acrylic Resins, Ethylene vinyl acetate Emulsions per day, 12 tons of Polymer of Vinyl Acetate per day, 8 tons of Vinyl Copolymers per day and 20 tons of Water proofing compounds and Construction emulsions per day, valid up to March 31, 2022.
6. Consent to Establish bearing number 2006226580061 issued by the Tamil Nadu Pollution Control Board, under the Air (Prevention and control of Pollution) Act, 1981, for expansion to manufacture 51,000 TPA of Synthetic Acrylic Polymer Emulsions, 9,000 TPA of Thermosetting Acrylic Resins, 12,000 TPA of Polymer of Vinyl Acetate, 9,000 TPA of Vinyl Copolymers, 60,000 TPA of Styrene Acrylic Copolymer, 12,000 TPA Synthetic Organic Coloring Matters, 9,000 TPA of Paper Chemical Emulsions, 12,000 TPA of Solvent Based Adhesives, 3,000 TPA of Industrial Synthetic Adhesives and Glues and 6,000 TPA of Water Proofing Compounds and Construction Emulsions valid up to October 10, 2025
7. Consent to Establish bearing number 2006126580061 issued by the Tamil Nadu Pollution Control Board under the Water (Prevention and control of Pollution) Act, 1974, for expansion to manufacture 51,000 TPA of Synthetic Acrylic Polymer Emulsions, 9,000 TPA of Thermosetting Acrylic Resins, 12,000 TPA of Polymer of Vinyl Acetate, 9,000 TPA of Vinyl Copolymers, 60,000 TPA of Styrene Acrylic Copolymer, 12,000 TPA Synthetic Organic Coloring Matters, 9,000 TPA of Paper Chemical Emulsions, 12,000 TPA of Solvent Based Adhesives, 3,000 TPA of Industrial Synthetic Adhesives and Glues and 6,000 TPA of Water Proofing Compounds and Construction Emulsion valid up to October 10, 2025.

8. Consent to Operation for Expansion order bearing number 2107137463371, issued by the Tamil Nadu Pollution Control Board under the Water (Prevention and control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution Act) 1981, dated October 21, 2021 for manufacturing 51000 TPA of Synthetic Acrylic Polymer Emulsions, 9000 TPA of Thermosetting Acrylic Resins, 12000 TPA of Polymer of Vinyl Acetate, 9000 TPA of Vinyl Copolymers, 60000 TPA of Styrene Acrylic Copolymer, 9000 TPA of Paper Chemical Emulsions, 12000 TPA of Solvent Based Adhesives, 3000 TPA of Industrial Synthetic Adhesives and Glues, 6000 TPA of Water Proofing Compounds and Construction Emulsions and 12000 TPA of Synthetic Organic Coloring Matters valid up to March 31, 2023.
9. Environmental Clearance bearing number IA/TN/IND2/67591/2017 dated July 12, 2018 issued by the Ministry of Environment, Forest and Climate Change for expansion of Synthetic Organic Chemicals (mainly Acrylic Polymer Emulsions, Styrene Acrylic Copolymer, Organic coloring matters, Paper Chemical Emulsions, Solvent based Adhesives) manufacturing unit from 41,400 TPA to 183,000 TPA.
10. Renewal of Authorisation under Hazardous Waste Authorisation bearing number 17HFC6805987 dated February 28, 2017 issued by the Tamil Nadu Pollution Control Board valid up to February 27, 2022.
11. Permission letter bearing number 836/EI/PON/2016 dated May 26, 2016 issued by the Department of Electrical Inspectorate and Electricity Tax, Tamil Nadu for using the diesel generator set.
12. License to work a factory bearing number TVR10422 issued by the Directorate of Industrial Safety and Health, Tamil Nadu, valid up to December 31, 2021.
13. Petroleum License bearing number P/HQ/TN/15/5156 (P350062) issued by the Petroleum and Safety Organisation (PESO) for storage of 140.00 KL of Class B in bulk and 35.00 KL of Class C in bulk =, valid up to December 31, 2025.
14. Self-sealing Permission Letter bearing number S.Misc.23/2017/LoSSP/Docks-Admn dated September 13, 2017 issued by the Office of the Commissioner of Customers (Chennai-IV).

Vapi Plant:

1. Provisional Consent Order (CTE) bearing number CTE-81428 valid up to August 9, 2023.
2. Consent to Operate bearing number AWH- 115052 dated October 7, 2021 under the Gujarat Pollution Control Board to manufacture 40 MT/M of Bondex White Paste, 40 MT/M of Bondex Brown Paste and 250 MT/M of Bondex Ready mix valid up to September 30, 2026.
3. License to work a factory bearing number 30791 issued by the Directorate Industrial Safety and Health, Gujarat, valid up to December 31, 2023.

Mumbai R&D Centre:

1. Consent to Establish bearing number MPCB/RONM/NNB/TTC/Red/E/CC/C-51 dated June 22, 2012 under Water (Prevention and control of Pollution) Act, 1974 and Air (Prevention and control of Pollution) Act, 1981 for research and developments for paints.
2. Consent to Operate bearing number 1.0/BO/RONM/UAN No. 0000120755/ CR dated November 10, 2021 for Research and Development of Paints (without any commercial production) valid up to August 31, 2023.
3. Sub-letting permission bearing number MIDC/RO/MHP/Case No. 1912/A-747/C22380 valid up to November 9, 2023.
4. DSIR Recognition no. TU/IV-RD/3567/2021 dated October 8, 2021 valid up to March 31, 2024.
5. Fire NOC Certificate EE/Dn. II/SPA/Final-NOC/A71439/2021 for Industrial Building on Plot No. A-747 TTC Indl. Area, Navi Mumbai issued by Maharashtra Industrial Development Corporation dated March 1, 2021.

Mundra Plant:

1. Consent to Establish bearing number GPCB/CCA-1665 ID- 73210 (CTE- 105642), issued by the Gujarat Pollution Control Board dated February 6, 2020 valid up to 7 years from the date of the order (GPCB) under Water (Prevention and control of Pollution) Act, 1974, Air (Prevention and control of Pollution) Act, 1981 for manufacturing 34 MTPM of Bondex Brown Paste, 34 MTPM of Bondex Ready Mix, 34 MTPM of Bondex White Paste and 500 MTPM of Wood Glue valid up to November 12, 2026.

2. Consent and Authorisation bearing number AWH-108444 issued by the Gujarat Pollution Control Board for manufacturing of 500 MT of Wood Glue valid up to April 19, 2025.
3. Environmental Clearance bearing number SEIAA/GUJ/EC/5(f)/992/2021 issued by the State Level Environment Impact Assessment Authority, Gujarat, for manufacturing 34 MTPM of Bondex Brown Paste, 34 MTPM of Bondex Ready Mix, 34 MTPM of Bondex White Paste and 500 MTPM of Wood Glue, 2000 MTPM of Synthetic Acrylic Polymer Emulsion, 3330 MTPM of Styrene Acrylate Copolymer Emulsions, 1250 MTPM of Polymer of Vinyl Acetate, 200 MTPM of Vinyl Copolymer Emulsion, 250 MTPM of Water proofing compounds, 250 MTPM of Construction Emulsion, 250 MTPM of Thermosetting Acrylic Resins, 500 MTPM of Solvent Based Adhesives, 250 MTPM of Polyurethane Resins, 1250 MTPM of Ethylene Vinyl Acetate Emulsions, 50 MTPM of Unsaturated Polyester Resin, 100 MTPM of Textile Auxiliaries & Binders, 1000 MTPM of Styrene Butadiene Rubber Resin, 1000 MTPM of High Impact Polystyrene Resin and 288 MTPM of HDPE Barrels.
4. Consent to Establish (After obtaining Terms of Reference for Environment Clearance) bearing number GPCB/CCA-1665 ID- 73210, issued by the Gujarat Pollution Control Board dated February 6, 2020 valid up to 7 years from the date of the order.
5. Consent and Authorisation bearing number AWH-49834 dated Oct 12, 2021 issued by the Gujarat Pollution Control Board under Water (Prevention and control of Pollution) Act, 1974 and Air (Prevention and control of Pollution) Act, 1981, valid up to April 19, 2025.
6. Petroleum License bearing number P/WC/GJ/15/2777 (P475606) issued by the Petroleum and Explosive Safety Organisation (PESO) for storage of 70.00 KL of Class A in bulk, 70.00 KL of Class B in bulk and 35.00 KL of Class C in bulk, valid up to December 31, 2030.
7. Certificate of Registration for Boiler bearing Number GT-11307 under The Indian Boiler Regulation 1950 issued by Director of Boiler, Gujarat State, Ahmedabad.
8. Fire Safety Certificate bearing number RFO-SFPF/Fn-54/fire Noc- industry/124/2021 valid up to May 29, 2022.
9. Installation of 625 KVA DG set along with associated equipments approval bearing number No/EI/Bhu/Certi/45574/2021 dated March 25, 2021, issued by the Electrical Inspector, Bhuj.
10. ISO Certification ISO 9001:2015 issued by QFS Management Systems LLP for our manufacturing unit dated June 10, 2021.

VI. Material approvals applied for by our Company and Material Subsidiary but not received

1. Application for Consent to Establish Expansion for manufacturing Products (Vinyl Polymers, Acrylic Polymers and Glue & Adhesives) DG Set- 250 KVA (1No), Boiler- 850 kg/hr (FO Fired) and Boiler- 850 kg/hr (LDO Fired) under Water Act- 1974, Air Act 1981 and Hazardous Waste Authorization under Amended Rule- 2016 dated June 4, 2021 for Daman Unit I.
2. Application for permission to abstract ground water bearing number 21-4/123/DD/IND/2021 for 100 sq. meter of Green Belt Area, 293 sq. meter of Open Land and 2534.50 sq. meter of Rooftop area of building/ sheds dated February 3, 2021 for Daman Unit I.
3. Application for Consent to Operate bearing number 971742 for manufacturing Acrylic Polymers and operation of DG set- 200 KVA (1No), Boiler- 600 kg/hr (FO Fired) and Boiler- 600 kg/hr (LDO Fired) under Water Act- 1974, Air Act 1981 and Hazardous Waste Authorization under amended rules of 2016 dated August 26, 2021 for Daman Unit III.
4. Application for Consent to Operate bearing number 919004 dated June 21, 2021 for Daman Unit III.
5. Application made by our Company on July 12, 2021 for renewal of Fire NOC bearing number 4430/A/2020 dated August 7, 2020 for Chennai Unit.

VII. Material approvals required by our Company and Material Subsidiary but not applied for

Daman Unit I:

1. Renewed Consent to Operate for expansion.

Roorkee Plant:

1. DG Set approval for installation

Vapi Plant:

1. DG Set Approval for installation

VIII. Intellectual Property Registrations

As on the date of this Draft Red Herring Prospectus, we have 19 registered trademarks across Classes 1, 16, 99, 41, 8, and 2, including for our brands “Bondex®”, “Rdymix®”, “Coviguard®”, “Bondacrylic®”, “INDTAPE®”, and “Blue Glue®”, in India and USA. Further, our Company has applied for 43 new trademarks in India. Further, our Subsidiary, Jesons Techno Polymers LLP has applied for 4 new trademarks in India. We have applied for registration of two patents in India for RDP and its preparation process, and a long acting biocidal composition and its preparation process. The applications are currently under review and pending grant. For further details, please see “*Risk Factors - Our intellectual property rights may not be adequately protected against third party infringement*” on page 42.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated October 19, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their meeting dated November 6, 2021, and this DRHP has been approved by our Board pursuant to the resolution passed at its meeting held on November 18, 2021, and by the IPO Committee by way of its resolution dated November 19, 2021. Our Board of Directors has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to the resolution passed at its meeting dated November 18, 2021. For further details, see “*The Offer*” on page 53.

The Promoter Selling Shareholder has consented to participate in the Offer for Sale by way of the consent letter as outlined in the table below:

| Name of the Promoter Selling Shareholder | Number of Offered Shares | Date of consent |
|--|--------------------------|-------------------|
| Dhires Shashikant Gosalia | Up to 12,157,000 | November 18, 2021 |

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Promoter Selling Shareholder, Promoter, Promoter Group, Directors, the persons in control of our Company 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 Board or any securities market regulator in any other jurisdiction or any other authority/court.

None of our Directors are, in any manner, associated with the securities market. Further, there is no outstanding action initiated by SEBI against any of our Directors in the past five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoter or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders.

Further, none of our Company, Promoter or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the ‘Master Directions on Frauds Classification and Reporting by commercial banks and select FIs’ dated July 1, 2016, as updated, issued by the RBI.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoter, members of Promoter Group and the Promoter Selling Shareholder 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.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the 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.

Our Company’s operating profit, net worth and net tangible assets derived from the Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus as at, and for the last three Financial Years are set forth below:

Derived based on the Restated Consolidated Summary Statements

(₹ in million)

| Particulars (Restated and Consolidated Basis) | Financial year ended | | |
|--|----------------------|----------|----------|
| | 2021 | 2020 | 2019 |
| Restated consolidated net tangible assets (A) ⁽¹⁾ | 2,553.29 | 1,603.24 | 1,420.35 |
| Restated consolidated monetary assets (B) ⁽²⁾ | 231.66 | 81.62 | 302.10 |
| % of monetary assets to net tangible assets (B/A*100) | 9.07% | 5.09% | 21.27% |
| Restated, consolidated operating profit ⁽³⁾ | 1,212.78 | 398.50 | 410.63 |
| Average operating profit ⁽⁴⁾ | 673.97 | | |
| Net worth/ equity attributable to owners of the Company ⁽⁵⁾ | 2,628.37 | 1,689.20 | 1,427.48 |

(1) Net tangible assets mean the sum of all the assets of our Company excluding intangible assets and right of use assets reduced by total liabilities (excluding lease liabilities and deferred tax liabilities (net)) of the Company;

(2) Monetary assets mean cash and cash equivalents and bank balances other than cash and cash equivalents (excludes bank deposits with remaining maturity of more than twelve months);

(3) Restated consolidated operating profit means restated consolidated profit before tax minus other income plus finance cost;

(4) The average operating profit for the above financial years is ₹ 673.97 million, based on the Restated Consolidated Summary Statements; and

(5) As per Regulation 2(1)(hh) of the SEBI ICDR Regulations, '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 accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets write back of depreciation and amalgamation.

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, the Promoter, members of the Promoter Group, the Promoter Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;
- (ii) The companies with which our Promoter or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;
- (iii) Neither our Company, nor our Promoter or Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations);
- (iv) None of our Promoter and 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 a tripartite agreement dated December 3, 2015 with NSDL, for dematerialization of the Equity Shares. Our Company, along with the Registrar to the Offer, has also entered into a tripartite agreement dated October 7, 2021 with CDSL, for dematerialization of the Equity Shares;
- (vii) The Equity Shares of our Company held by our Promoter who is also the Promoter Selling Shareholder are in dematerialised form; and
- (viii) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares existing 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.

Our Company will ensure compliance with the conditions specified in Regulation 7(2) 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.

The Promoter Selling Shareholder confirms that the Offered Shares have been held by him 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 MANAGER, BEING JM FINANCIAL LIMITED AND AXIS CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE 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 PROMOTER SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, JM FINANCIAL LIMITED AND AXIS CAPITAL LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 19, 2021, 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 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, 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 Company's instance and anyone placing reliance on any other source of information, including our Company's website www.jesons.net, or the respective websites of our Promoter Group or any affiliate of our Company would be doing so at his or her 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 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 Promoter, 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 Promoter, 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 Promoter Selling Shareholder

The Promoter Selling Shareholder accepts 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.jesons.net, or the respective websites of our Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Promoter Selling Shareholder accepts no responsibility for any statements made in this Draft Red Herring Prospectus, other than those specifically made or confirmed by the Promoter Selling Shareholder in relation to himself as a Promoter Selling Shareholder and the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Promoter Selling Shareholder and his 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 Promoter Selling Shareholder and his representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Equity Shares in the Offer shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Promoter Selling Shareholder 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.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

Eligibility and Transfer Restrictions

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, 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, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

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.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered in the Offer in any jurisdiction. Invitations to subscribe to or purchase the Equity Shares in the Offer shall be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. 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.

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 Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) 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 Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) 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 Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) 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 Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) 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 Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) 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 Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) 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 Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) 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 Promoter Selling Shareholder, the BRLMs and the Syndicate Member(s) and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the Stock Exchanges. Application 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.

Consents

Consents in writing of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Banker(s) to the Company, Statutory Auditors, Legal Counsel to our Company as to Indian law, Legal Counsel to the BRLMs as to Indian law, Special International Legal Counsel to the BRLMs, the BRLMs, the Registrar to the Offer, lenders of our Company (wherever applicable), Frost & Sullivan, in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus; and consents in writing of the Monitoring Agency, the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus with the RoC.

Expert to the Offer

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

Our Company has received written consent dated November 19, 2021 from M S K A & Associates, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, 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 (i) their examination report dated October 19, 2021 on our Restated Consolidated Summary Statements; and (ii) their statement of special tax benefits dated November 19, 2021 in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Written consent dated November 19, 2021 from D M K H & Co., Chartered Accountants, to include their name as Independent Chartered Accountants 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, in respect of the proposal issued, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Written consent dated November 12, 2021 and November 10, 2021 from IAAN Consultantss, Chartered Engineers and Anand Kumar Jain, Chartered Engineers, respectively to include their name as Independent Chartered Accountants 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, in respect of the proposal issued, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issue during the last five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group company, subsidiaries or associate entity during the last three years

Other than as disclosed in “*Capital Structure*” on page 68, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed group company, subsidiaries or associate.

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.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed promoter of our Company

As on date of this Draft Red Herring Prospectus, the securities of our Subsidiary are not listed on any stock exchange and our Subsidiary has not made any public issue or rights issue during the ten years immediately preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus our Company does not have a corporate promoter.

Price information of past issues handled by the BRLMs

A. JM Financial Limited

1. Price information of past issues handled by JM Financial Limited

| Sr. No. | Issue name | Issue Size (₹ million) | Issue price (₹) | Listing Date | Opening price on Listing Date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing |
|---------|--|------------------------|-----------------|-------------------|--------------------------------------|--|--|---|
| 1. | Sapphire Foods India Limited | 20,732.53 | 1,180.00 | November 18, 2021 | 1,350.00 | Not Applicable | Not Applicable | Not Applicable |
| 2. | FSN – E-Commerce Ventures Limited ⁸ | 53,497.24 | 1,125.00 | November 10, 2021 | 2018.00 | Not Applicable | Not Applicable | Not Applicable |
| 3. | Aditya Birla Sun Life AMC Limited | 27,682.56 | 712.00 | October 11, 2021 | 715.00 | -11.36% [0.55%] | Not Applicable | Not Applicable |
| 4. | Krsnaa Diagnostics Limited ⁹ | 12,133.35 | 954.00 | August 16, 2021 | 1,005.55 | -9.42% [4.93%] | -27.73% [9.30%] | Not Applicable |
| 5. | Rolux Rings Limited | 7,310.00 | 900.00 | August 09, 2021 | 1,250.00 | 22.28% [6.79%] | 31.50% [10.20%] | Not Applicable |
| 6. | Tatva Chintan Pharma Chem Limited | 5,000.00 | 1,083.00 | July 29, 2021 | 2,111.85 | 92.54% [5.87%] | 136.37% [15.78%] | Not Applicable |
| 7. | Clean Science and Technology Limited | 15,466.22 | 900.00 | July 19, 2021 | 1,755 | 66.33% [5.47%] | 138.53% [16.42%] | Not Applicable |
| 8. | India Pesticides Limited | 8,000.00 | 296.00 | July 5, 2021 | 350.00 | 12.64% [1.87%] | 4.26% [10.72%] | Not Applicable |
| 9. | Shyam Metals and Energy Limited ⁷ | 9,085.50 | 306.00 | June 24, 2021 | 380.00 | 40.95% [0.42%] | 22.65% [11.22%] | Not Applicable |
| 10. | Sona BLW Precision Forgings Limited | 55,500.00 | 291.00 | June 24, 2021 | 301.00 | 45.45% [0.42%] | 93.40% [11.22%] | Not Applicable |

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

- Opening price information as disclosed on the website of NSE.
- Change in closing price over the issue/offer price as disclosed on NSE.
- Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.
- In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
- 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.
- Restricted to last 10 issues.
- A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount") equivalent to ₹ 15 per Equity Share.
- A discount of Rs. 100 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- Not Applicable – Period not completed

2. Summary statement of price information of past issues handled by JM Financial Limited

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited

| Financial Year | Total no. of IPOs | Total funds raised (₹ Millions) | Nos. of IPOs trading at discount on as on 30 th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30 th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180 th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180 th calendar days from listing date | | |
|----------------|-------------------|---------------------------------|--|-------------------|---------------|---|-----------------|---------------|--|-----------------|---------------|---|-----------------|---------------|
| | | | Over 50% | Between 25% - 50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2021-2022 | 11 | 2,39,407.40 | - | - | 2 | 2 | 3 | 2 | - | - | - | 1 | - | - |
| 2020-2021 | 8 | 62,102.09 | - | - | 3 | 2 | 1 | 2 | - | - | - | 5 | 2 | 1 |
| 2019-2020 | 4 | 36,400.83** | - | - | 1 | - | 1 | 2 | - | 1 | 1 | - | 1 | 1 |

**Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million

B. Axis Capital Limited

1. Price information of past issues handled by Axis Capital Limited

| Sr. No. | Issue name | Issue Size (₹ million) | Issue price (₹) | Listing Date | Opening price on Listing Date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing |
|---------|--------------------------------------|------------------------|-----------------|--------------|--------------------------------------|--|--|---|
| 1. | One 97 Communications Limited | 183,000.00 | 2,150.00 | 18-Nov-21 | 1,950.00 | - | - | - |
| 2. | S.J.S. Enterprises Limited | 8,000.00 | 542.00 | 15-Nov-21 | 542.00 | - | - | - |
| 3. | Fino Payments Bank Limited | 12,002.93 | 577.00 | 12-Nov-21 | 544.35 | - | - | - |
| 4. | Aditya Birla Sun Life AMC Limited | 27,682.56 | 712.00 | 11-Oct-21 | 715.00 | -11.36%, [+0.55%] | - | - |
| 5. | Ami Organics Limited | 5,696.36 | 610.00 | 14-Sep-21 | 910.00 | +117.07%, [+4.50%] | - | - |
| 6. | Chemplast Sanmar Limited | 38,500.00 | 541.00 | 24-Aug-21 | 550.00 | +2.06%, [+5.55%] | +12.68%, [+6.86%] | - |
| 7. | Nuvoco Vistas Corporation Limited | 50,000.00 | 570.00 | 23-Aug-21 | 485.00 | -5.91%, [+6.46%] | -9.75%, [+7.69%] | - |
| 8. | Cartrade Tech Limited | 29,985.13 | 1,618.00 | 20-Aug-21 | 1,599.80 | -10.31%, [+6.90%] | -31.01%, [+9.41%] | - |
| 9. | Clean Science And Technology Limited | 15,466.22 | 900.00 | 19-Jul-21 | 1,755.00 | +66.33%, [+5.47%] | +138.53%, [+16.42%] | - |
| 10. | India Pesticides Limited | 8,000.00 | 296.00 | 5-Jul-21 | 350.00 | +12.64%, [+1.87%] | +4.26%, [+10.72%] | - |

Source: www.nseindia.com

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues handled by Axis Capital Limited

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

| Financial Year | Total no. of IPOs | Total funds raised (₹ Millions) | Nos. of IPOs trading at discount on as on 30 th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30 th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180 th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180 th calendar days from listing date | | |
|----------------|-------------------|---------------------------------|--|-------------------|---------------|---|-----------------|---------------|--|-----------------|---------------|---|-----------------|---------------|
| | | | Over 50% | Between 25% - 50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2021-2022* | 15 | 4,43,586.65 | - | - | 3 | 2 | 4 | 3 | - | - | - | 2 | - | - |
| 2020-2021 | 11 | 93,028.90 | - | - | 6 | 2 | 1 | 2 | - | 1 | 1 | 4 | 3 | 2 |
| 2019-2020 | 5 | 161,776.03 | - | 1 | 2 | - | - | 2 | 1 | 1 | - | - | - | 3 |

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Track record of past issues handled by the BRLMs

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, see the websites of the BRLMs, as set forth in the table below:

| S. No. | Name of BRLMs | Website |
|--------|----------------------|-----------------------|
| 1. | JM Financial Limited | www.jmfl.com |
| 2. | Axis Capital Limited | www.axiscapital.co.in |

Stock Market Data of Equity Shares

This being an initial public offer 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 dated 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 dated 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 Bank to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|--|--|--|
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted/ partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer 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, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

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 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES, immediately after filing the Draft Red Herring Prospectus.

Our Company has not received any investor grievances in the last three years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Kushal Vasantbhai Gala, as the Company Secretary and Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see “*General Information*” on page 60.

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, see “*Our Management*” on page 165. The Promoter Selling Shareholder has authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/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, Offer for Sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, 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 the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authority while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder. For details in relation to the sharing of Offer expenses, see “*Objects of the Issue*” on page 78.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares Allotted in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA, and shall rank pari passu with the existing Equity Shares in all respects including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 325.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our MoA, AoA, the Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, declared by our Company after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 181 and 325, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 5 and the Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company, and the Promoter Selling Shareholder in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and Mumbai editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our 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 be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations, our AoA and other applicable laws.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 325.

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 and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated December 3, 2015 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated October 7, 2021 amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges shall only be in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment, see “*Offer Procedure*” on page 307.

Joint Holders

Subject to the provisions of our AoA, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See “– *Bid/Offer Programme*” on page 300.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, 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 the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination/ cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form which is available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the 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, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/ Offer Programme

| | |
|-----------------------------|-----------------------|
| BID/ OFFER OPENS ON | [●] ⁽¹⁾ |
| BID/ OFFER CLOSES ON | [●] ⁽²⁾⁽³⁾ |

- (1) Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.
- (2) Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.
- (3) UPI mandate end time shall be at 12:00 pm on [●].

An indicative timetable in respect of the Offer is set out below:

| Event | Indicative Date |
|---|-----------------|
| Bid/ Offer Closing Date | [●] |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account* | On or about [●] |
| Credit of Equity Shares to demat accounts of Allottees | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about [●] |

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt

of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation or liability on our Company, the Promoter Selling Shareholder or the BRLMs.

While the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholder confirms that he shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

| 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. IST) |
| Bid/ Offer Closing Date* | |
| Submission and Revision in Bids | Only between 10.00 a.m. and 3.00 p.m. IST |

*UPI mandate end time and date shall be at 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 and Eligible Employees under the Employee Reservation Portion.

On Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer

Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Promoter Selling Shareholder, in consultation with 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. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholder in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. 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 Promoter Selling Shareholder, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall 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 the prescribed time, the Promoter Selling Shareholder, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

In the event of an under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale.

Further, the Promoter Selling Shareholder and our Company shall ensure that the number of prospective Allotees 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 Promoter Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any, on Transfer and Transmission of Equity Shares and on their consolidation or splitting

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 68, 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 any shares of our Company and on their

consolidation or splitting, except as provided in the AoA. For further details, see “*Description of Equity Shares and terms of Articles of Association*” on page 325.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares of face value of ₹ 5 each for cash at a price of up to ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising a Fresh Issue of [●] Equity Shares aggregating up to ₹ 1,200 million and an Offer for Sale of up to 12,157,000 Equity Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholder. This Offer includes a reservation of up to 77,000 Equity Shares (constituting up to [●]% of the post-Offer paid-up equity share capital) for purchase by Eligible Employees. The Offer and the Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up equity share capital of our Company, respectively.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue.

The Offer is being made through the Book Building Process.

| Particulars | Eligible Employees [#] | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders |
|--|--|---|--|--|
| Number of Equity Shares available for Allotment/ allocation ⁽²⁾ | Up to 77,000 Equity Shares | 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 | The Employee Reservation Portion shall constitute up to [●] % of the post-Offer paid-up Equity Share capital of our Company | Not more than 50% of the Offer shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion (i.e. 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 Net QIB Portion (i.e. 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 | Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation |
| Basis of Allotment/ allocation if respective category is oversubscribed* | Proportionate, unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000. | 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 | Proportionate | 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 is any, shall be allotted on a proportionate basis. For further details see, "Offer Procedure" on page 307 |

| Particulars | Eligible Employees [#] | QIBs ⁽¹⁾ | Non-Institutional Bidders | Retail Individual Bidders |
|----------------------------------|---|---|--|--|
| | | received from Mutual Funds at or above the Anchor Investor Allocation Price | | |
| Minimum Bid | [●] Equity Shares | Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000 | Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Maximum Bid | Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000. | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed 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 ₹200,000 |
| 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)} | Eligible Employees | Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), FVCIs, VCFs, AIFs, multi-lateral and bilateral financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million 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. | Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and any individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI | Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta) |
| Terms of Payment | <p>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 RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form</p> <p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽⁴⁾</p> | | | |
| Mode of Bidding | Only through the ASBA process (except for Anchor Investors). | | | |

* Assuming full subscription in the Offer

Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

(1) Our Company and the Promoter Selling Shareholder, in consultation with 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 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, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. For further details, please see "Terms of the Offer" on page 298.

- (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. Further, a Bidder Bidding in the Employee Reservation Portion may also Bid under the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion above ₹500,000 shall not be allowed to Bid in the Net Offer as such Bids shall be treated as multiple Bids. 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) 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.

Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 312 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.

Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹200,000 in value. Only in the event of an under-subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value.

Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, 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 Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges, the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid cum Application Form,) (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) interest in case of delay in Allotment or refund; and (xiv) disposal of application.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries 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 will continue 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/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs (“**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, as amended by circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.

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 lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company, the Promoter Selling Shareholder, 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 and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, 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, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The Offer includes a reservation of up to 77,000 Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up equity share capital subject to valid Bids being received at or above the Offer Price.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue.

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 and the Promoter Selling Shareholder in consultation with the BRLMs, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

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, as applicable, shall be treated as incomplete and will be rejected. Eligible Employees Bidding in the Employee Reservation Portion Bidding 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 rematerialised subsequent to Allotment of the Equity Shares in the IPO.

Phased implementation of UPI for Bids by RIBs as per the UPI Circulars

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, 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 and implemented the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to 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 all editions of [●], a widely circulated English national daily newspaper; (ii) all editions of [●], a Hindi national daily newspaper; and (iii) Mumbai editions of [●], a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered and Corporate Office is located) , 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.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges, and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. RIBs are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made 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 on 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. RIBs 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. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. 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 Investors, 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 repatriation basis | [●] |
| Anchor Investors | [●] |
| Eligible Employees bidding in the Employee Reservation Portion | [●] |

*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 respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

(3) Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of our Company.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) 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.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the 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 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoter and Promoter Group of the Company, the BRLMs and the Syndicate Members and persons related to Promoter/Promoter Group/ the BRLMs

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 respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional 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 the respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

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 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 Promoter / 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 Promoter or Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter 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 Promoter and the members of the Promoter Group will not participate in the Offer, except to the extent of 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 and the Promoter Selling Shareholder, 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 net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific 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 may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible 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 Retail Individual Investors 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 RIBs 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 (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Participation 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.

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.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, are required to 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 applicable FEMA Rules and 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 (on a fully diluted basis). Further, in terms of the FEMA 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 100%. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] 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 to the Offer shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for 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 Instruments 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 is permitted to 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 if it complies with the following conditions: (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 as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (i) to (iv)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

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.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and

- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

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 compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids will be rejected.

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. A Category III AIF cannot invest more than 10% of the investible funds in one 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, the Promoter Selling Shareholder, or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Eligible Employees

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹200,000. In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹200,000, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹500,000.
- The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

- (e) Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.
- (f) Eligible Employees can apply at Cut-off Price.
- (g) Bids by Eligible Employees can be made also in the “Net Offer to the Public” and such Bids shall not be treated as multiple Bids.
- (h) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (i) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.
- (j) Eligible Employees bidding in the Employee Reservation Portion shall not Bid through the UPI mechanism.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [●]% of the post-Offer share capital of our Company. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee is required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “**Banking Regulation Act**”) and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank’s own paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-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 loans/investments 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 Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the 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 Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder 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;
- (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 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 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 and the Promoter Selling Shareholder 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, AIFs, Mutual Funds, NBFC-SI, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable 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 and the Promoter Selling Shareholder in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Promoter Selling Shareholder 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 and the Promoter Selling Shareholder 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 auditor, 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 and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve 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 Regulations, the key terms for participation by Anchor Investors are provided below:

- 1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.
- 5) Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) 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.
- 9) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 10) Neither the (a) the BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (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 associate of the BRLMs) nor (b) the Promoter, Promoter Group or any person related to the Promoter or members of the Promoter Group shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Promoter Selling Shareholder, 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 this Draft 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 Anchor Investors) have mentioned the correct ASBA Account number if you are not an RIB bidding using 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. Retail Individual 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. PAN of the First Bidder is required to be specified in case of joint Bids;
12. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
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 RIBs 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 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 to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
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. 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. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website and is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
24. RIBs 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;
25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
26. 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;
27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

28. 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; and
29. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using 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).

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) and ₹500,000 (for Bids by Eligible Employees);
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 3.00 pm on the Bid/Offer Closing Date;

21. If you are a QIB, do not submit your Bid after 3:00 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 and Eligible Employees Bidding in the Employee Reservation Portion 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 Bid if you are an OCB;
29. 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 RIBs using the UPI Mechanism;
30. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;
31. 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 Retail Individual Bidders using the UPI Mechanism); and
32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, see “*General Information*” on page 60.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

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. Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see, “*General Information – Details of the Book Running Lead Managers*” on page 61.

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 to the Offer, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer 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.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. 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 Promoter Selling Shareholder, 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, 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 [●], a widely circulated English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) Mumbai edition of [●], a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered and Corporate Office is located).

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date, the Bid/ Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder 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.

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 [●], a widely circulated English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) Mumbai edition of [●], a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Promoter Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters 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.
- 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 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;
- 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, 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 the extent applicable) 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;
- 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;
- that if our Company and the Promoter Selling Shareholder, 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 Promoter Selling Shareholder subsequently decides to proceed with the Offer thereafter;

- except for (i) the Pre-IPO Placement and (ii) any allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the ESOP Scheme, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder undertakes that:

- the Equity Shares offered for sale by the Promoter Selling Shareholder are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations, are fully paid-up and are in dematerialised form;
- he 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;
- he is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by him pursuant to the Offer for Sale;
- he shall not have recourse to the proceeds of the Offer, which shall be held in escrow in his favour, until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received;
- he shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of Equity Shares offered by him pursuant to the Offer; and
- he shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by him and being offered pursuant to the Offer.

Utilisation of Gross Proceeds

Our Board certifies that:

All monies received out of the Fresh Issue component of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Details of all utilised monies out of the Fresh Issue shall be disclosed and continued to be disclosed till any part of the proceeds of the Fresh Issue remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised or invested.

Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India 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 FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“**DPIIT**”), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see “*Key Regulations and Policies*” on page 154.

Under the current FDI Policy, 100% foreign direct investment is permitted in manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the 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, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on pages 311 and 312, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 307.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments 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 Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

1. The regulations contained in Table 'F' of Schedule I of Companies Act 2013 shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

INTERPRETATION

2. (i) In the interpretation of these Articles, the following expressions shall have the following meanings unless repugnant to the subject or context:
 - (a) **“The Company”** or **“This Company”** means **JESONS INDUSTRIES LIMITED**.
 - (b) **“The Act”** means the Companies Act, 2013.
 - (c) **“The Seal”** means the common seal of the Company.
 - (d) **“These Articles”** or **“Articles”** means Article of Association of the Company as originally framed or altered from time to time by Special Resolution or applied in pursuance of any previous Company law or of this Act.
 - (e) **“Auditors”** means and include those persons appointed as such for the time being by the Company.
 - (f) **“Beneficial Owner”** means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.
 - (g) **“Board”** or **“Board of Directors”** means the collective body of the Directors of the Company.
 - (h) **“Capital”** means the share capital for the time being raised or authorized to be raised, for the purpose of the company.
 - (i) **“The Chairman”** means the Chairman of the Board of Directors for the time being of the Company.
 - (j) **“Charge”** means an interest or lien created on the property or assets of a Company or any of its undertakings or both as security and includes a mortgage.
 - (k) **“Debentures”** includes debenture-stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the company or not.
 - (l) **“Depository”** means a Depository as defined in clause (e) sub-section (1) of section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Companies Act, 1956 which has been granted a certificate of registration under sub Section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
 - (m) **“Director”** means a director appointed to the Board of a company.
 - (n) **“Dividend”** includes any interim dividend.
 - (o) **“Members”** in relation to a Company, means;
 - (A) The subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;
 - (B) Every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;
 - (C) Every person holding shares of the company and whose name is entered as a beneficial owner in the records of a Depository.
 - (p) **“Meeting”** or **“General Meeting”** means a meeting of the members of the Company.

- (q) “**Annual General Meeting**” means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act.
- (r) “**Extraordinary General Meeting**” means an extraordinary general meeting of the Members duly called and constituted and any adjourned holding thereof.
- (s) “**Month**” means a calendar month.
- (t) “**Office**” means the registered office for the time being of the Company.
- (u) “**Ordinary or Special Resolution**” means an ordinary resolution, or as the case may be, special resolution referred to in Section 114 of the Act.
- (v) “**Paid-up share capital**” or “**share capital paid up**” means such aggregate amount of money credited as paid up as its equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.
- (w) “**Proxy**” means an instrument whereby any person is authorized to attend a meeting and vote for a member at the general meeting on a poll.
- (x) “**Register of Beneficial Owners**” means the register of members in case of shares held with a Depository in any media as may be permitted by law, including in any form of Electronic Mode
- (y) “**The Register of Members**” means the Register of Members to be kept pursuant to Section 88 of the Act and includes Register of Beneficial Owners.
- (z) “**The Registrar**” means the Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar, or an Assistant Registrar, having the duty of registering Companies and discharging various functions under the Act.
- (aa) “**The Company’s Regulations**” means the regulations for the time being for the management of the Company.
- (bb) “**Key managerial personnel**”, in relation to a Company, means –
 - (A) The Chief Executive Officer or the Managing Director or the Manager;
 - (B) The Company secretary;
 - (C) The Whole time director;
 - (D) Chief Financial Officer;
 - (E) Such other officer as may be prescribed;
- (cc) “**Company Secretary**” or “**Secretary**” means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act.
- (dd) “**Security**” means Shares, Debentures and/or such other securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956
- (ee) “**Share**” means a share in the share capital of a Company and includes stock
- (ff) “**The Statutes**” means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.
- (gg) “**Year**” means the calendar year and “**Financial Year**” shall have the meaning assigned thereto by Section 2 (41) of the Act.
- (hh) Words importing the **singular number** include, where the context admits or requires, the plural number and vice versa.
- (ii) Save as aforesaid, **words or expressions contained in these Articles shall bear the** same meaning as in the Act or any statutory modifications thereof for the time being in force.

- (ii) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. The Authorised Share Capital of the Company Shall be of such amount as may be mentioned in the Capital Clause of the Memorandum of Association of the Company from time to time.
4. The Company in General Meeting may from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified rights to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act.
5. Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
 - (i) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—
 - (a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - (b) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right; (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
 - (ii) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or
 - (iii) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

6. Subject to the provisions of Section 55 of Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
7. On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect:-
 - (i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
 - (ii) no such shares shall be redeemed unless they are fully paid.
 - (iii) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called

the “Capital Redemption Reserve Account”, a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the shares capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

8. The Company may (subject to the provisions of Sections 55 and 66 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share premium Account in any Manner for the time being authorized by law, and in particular capital may be paid off on the footing that it may be called upon against or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.
9. Subject to the provisions of section 61 of The Act, the Company in General Meeting may from time to time sub-divide or consolidated its shares, or any of them, and the resolution whereby any shares sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some reference or special advantages as regards dividend, capital or otherwise over or as compared with the others or other, Subject as aforesaid, the Company in general Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its shares capital by the amount of the shares so cancelled.

AUTHORISING COMPANY TO BUY BACK ITS OWN SHARES

10. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

SHARE AND CERTIFICATES AND VARIATION OF RIGHTS

11. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons and in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors thinks fit, and may issue ad allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company In the General Meeting.
12.
 - (i) Unless the shares have been issued in dematerialized form in terms of applicable laws, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or 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.
 - (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - (iii) 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.
 - (iv)
 - (a) Where a new certificate has been issued in pursuance of this Articles, particulars of every such share certificate shall be entered in a Register of renewed and duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes in the Register of Members by suitable cross reference in the “Remarks” column.
 - (b) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or

more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal or the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe 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.

- (v) All blank forms to be issued for issue of share certificate shall be printed and printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and blocks and engravings relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose, and the Secretary of such other person as aforesaid shall be responsible for rendering an account of these forms to the Board.
 - (vi) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, reservation and safe custody of all books and documents relating to the issue of share certificates referred to in Sub Article (v).
 - (vii) All books referred to in Sub-Article (vi) shall be preserved in good order permanently.
13. (i) If any share certificate be worn out, defected, 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 given to the party entitled to such lost or destroyed Certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
- (ii) The provisions of Articles (11) and (12) shall *mutatis mutandis* apply to debentures of the company.
14. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
15. If any shares stands in the names of two or more persons, the person first named in the register shall be regards receipt of dividends or bonus or service of notice and all or any other matters connected with the company, except voting at meetings be deemed the sole holder thereof, but the joint holders of the share, shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the company regulations.
16. Except as ordered by a Court of competent jurisdiction or as by law required, the company shall not bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any rights in respect of a share other than absolute rights thereto, in accordance with these Article, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
17. None of the funds of the company shall be applied for the purchase of any share of the company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the company or in its holding company save as provided by section 67 of the Act.
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 provisions of section 48, 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 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.

DEMATERIALISATION OF SECURITIES

20. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

21. The Board or any Committee thereof shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialized.

22. Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.

23. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

24. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

25. (i) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in sub-clause above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

26. Notwithstanding anything to the contrary contained in these Articles, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode or by delivery of floppies or discs.

27. Nothing contained in Section 56 of the Act or anything to the contrary contained in these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

28. Notwithstanding anything to the contrary contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

29. Notwithstanding anything to the contrary contained in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.

30. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

UNDERWRITING AND BROKERAGE

31. Subject to the provisions of section 40 of the Act:
- (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
 - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
 - (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.
32. The company may pay a reasonable sum for brokerage.

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:
- Provided that no call shall exceed one-fourth of the nominal value of the share (or such other per cent. determined the Board or prescribed under applicable law) or be payable at less than one month or such other period prescribed under applicable law 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 and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
 - (iii) A call may be revoked or postponed at the discretion of the Board.
34. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour. The payment period for payment of balance money in Calls shall be kept open for such period as may be prescribed under applicable law.
35. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
36. The Board of directors may, from time to time by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as may think fit upon the members in respect of all monies unpaid of the shares held by them respectively, and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board. A call may be made payable by instalments.
37. Not less than fourteen days' notice of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such calls shall be paid; provided that before the time for payment of such call the Board of Directors any be notice in writing to the members, revoke the same or extend the time for payment thereof.
38. If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or by installment at fixed times (whether on account of the amount of the share capital or by ways of premium) every such amount or installment shall be payable as if it were a call duly made by the Board of Directors and of such due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or premium or installment accordingly.
39. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors.
40. If the sum payment in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the shares in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of twelve percent per annum from the date appointed for the payment thereof to the time of the actual payment, or at such other rate as the Board of Directors may from time to time determine. The Board of Director may however in their absolute discretion forego payment of any interest wherein their opinion the circumstances so justify.

41. On the trial or hearing of any action or suit brought by the company against any member or his representative for the recovery of any money claimed to be due to the company in respect of the shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of which such money is sought to be recovered in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted not any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.
42. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principle or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
43. (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 such rate as time to time, the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
44. (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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
45. The Board may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount or the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

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.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

LIEN

46. (i) The company shall have a first and paramount lien:
- (a) upon all share/debenture (not being a fully paid share/debenture), (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 monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; 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.
- (b) 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 Article.
- (c) The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

47. 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.
48. (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.
49. (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.

FORFEITURE OF SHARES

50. 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.
51. 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.
52. 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. Such forfeiture shall include all dividends declared in respect of forfeited shares and not actually paid before the forfeiture.
53. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
54. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.
55. (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.
56. (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 (calls, installments, interest and expenses) which, at the date of forfeiture, were presently payable by him to the company in respect of the shares and Board may enforce the payment thereof or any part thereof, without any deduction or allowance for the value for the shares at the time of forfeiture, but shall not be under any obligation to do so.

- (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.
57. (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.
58. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been seen previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.
59. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.

TRANSFER AND TRANSMISSION OF SHARES

60. (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 of members in respect thereof.
 - (iii) The Instrument of transfer shall be in writing and all provisions of Section 56 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
 - (iv) 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
61. The Board may, subject to the right of appeal conferred by section 58 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.
62. The Board may decline to recognise any instrument of transfer unless:
- (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (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.
63. On giving not less than seven days' previous notice in accordance with section 91 and 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.

64. (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 recognized 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.
65. (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.
- (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.
66. (i) If the person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member of the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents may with the consent of Board of Directors (which shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under his article of his title, as the Board of Directors thinks sufficient, either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board of Directors registered as such holder.
- (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.
67. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to 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.
68. No share shall in any circumstances be transferred to any infant, insolvent or persons of unsound mind.
69. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. The Company shall also use a common form of transfer. Subject to applicable law, the Board may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).
70. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book or the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may be entered or referred to in some book of the Company, but the company shall nevertheless be at liberty to regard and attend to any such notice and given effect thereto, if the Board of Directors shall so think fit.

71. Subject to the provisions of the Act, these Articles, or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

BOARD TO RECOGNIZE BENEFICIAL OWNERS OF SECURITIES

72. Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
73. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.
74. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

NOMINATION

75. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.
76. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
77. Notwithstanding anything to the contrary contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
78. Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

79. Copies of the Memorandum and Articles of Association of the Company and of other documents referred to in Section 17 of the Act shall be sent by the Board to every Member at his request, within 7 days of the request, on payment of rupee one hundred for each copy.

BORROWING POWER

80. The Board may, from time to time at its discretion subject to the provisions of Sections 179 and of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company, provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.
81. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it may think fit, and in particular by the issue of bonds, perpetual or redeemable, debentures or

debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

82. Any debentures, debenture-stock, bonds or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.
83. Save as provided in Section 56 of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
84. If the Board refuses to register transfer of any debentures the company shall, within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and to the transferor notice of the refusal.
85. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.
86. The Company shall if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any state or Country outside India a branch of Debenture-holders resident in that State or country.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

87. The Company in General Meeting may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstance will admit. The company may at any time reconvert any stock into paid-up shares of any denomination.
88. 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 meeting of the Company and matters as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the Dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETINGS OF MEMBERS

89. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual general meetings shall be Extra-ordinary General Meetings. The first Annual General Meeting shall be held within a period of nine month from the date of closing of the first financial year of the Company and in any case, within a period of six months, from the date of closing of the year, provided that not more than fifteen months shall elapse between the date of one annual general meeting of a Company and that to the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the register under provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours, that is between 9.00 AM to 6.00 PM on any day that is not a National Holiday and shall be held at the registered office of the Company or at some other place within the city in which the registered office of the Company is situated, as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its Subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report (if not already incorporated in the Audited Statement of Accounts) the proxy Register with proxies and the Register open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Register in accordance with Section 92 and 137 of the Act.
90. The Board may, whenever it deems fit, call an extra ordinary general meeting of the Company.

91. The extraordinary general meeting shall be called by the Board, at the requisition in writing made by such number of members who hold, on the date of receipt of requisition, not less than one-tenth of such of paid-up capital of the Company as on the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
92. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the registered office of the Company, provided that such requisition may consist of several documents in loose form and each shall be signed by one or more requisitionists.
93. Upon the receipt of any such requisition the Board shall within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call an extra ordinary general meeting for the consideration of that matter on a day not later than forty -five days from the date of receipt of such requisition. The requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as is referred to section 100 of the Act, whichever is less, may themselves call the meeting, but in either case, any meeting so called may be held within three months from the date of the delivery of the requisition as aforesaid.
94. Any reasonable expenses incurred by the requisitionist in calling an extraordinary meeting shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such directors who were in default in calling the meeting.
95. Any meeting called under the foregoing Articles by the requisitionists shall be called and held in the same manner, as nearly as possible, as that in which meeting is to be called and held by the Board.
96. A general meeting of the Company may be called by giving not less than clear twenty-one days notice either in writing or through electronic mode in such manner as may be prescribed.

Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or in electronic mode by not less than 95% of the members entitled to vote at such meeting.

Notice shall, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Article entitled to receive notice from the Company.

97. A notice calling the meeting shall be annexed with the statement setting out the following material facts concerning each item of special business to be transacted at a general meeting:
- (i) The nature of concern or interest, financial or otherwise, if any, in respect of each items of
 - (a) Every director and the manager, if any;
 - (b) Every other key managerial personnel; and
 - (c) Relatives of the persons mentioned in sub-clause (i) and (ii) hereinabove;
 - (ii) Any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
98. In the case of an Annual General Meeting, all business to be transacted thereat shall be deemed special, other than:
- (i) the consideration of the financial statements, and the reports of the Board of Directors and auditors.
 - (ii) the declaration of any dividend.
 - (iii) the appointment of Directors in place of those retiring.
 - (iv) the appointment of, and fixing of the remuneration of, the auditors, and in case of any other meeting, all business shall be deemed to be special.

Provided, that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two percent of the paid up share capital of the company, also be set out in the statement.

99. Any accidental omission to give notice to, or the non-receipt of such notice as aforesaid by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.
100. Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement as referred in Article 79.
101. The notice of every meeting of the company shall be given to:
- (i) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;
 - (ii) the auditor or auditors of the Company; and
 - (iii) every director of the Company.
102. No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business, which has not been mentioned in the notice or notices upon which it was convened.
103. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.
104. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.
105. If, at the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company:
- (i) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may determine; or
 - (ii) the meeting called by requisitionist under section 100 of the Act, shall stand cancelled.

Provided, that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (i), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the news papers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

106. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meetings he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the chair, then the directors present may choose one of their member to be the Chairman of the meetings. If no director be present or if all the director present decline to take the chair, then the Members present shall elect one of themselves to be the Chairman thereof on a show of hands. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands under sub-section (1) of section 104, shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.
107. No business shall be discussed at any General Meeting except the election of a chairman, while the Chair is vacant.
108. The chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

VOTING RIGHTS AND PROXY

109. No member shall be entitled to vote either personally or by proxy, at any General Meeting or meeting of class of shareholders either upon show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.
110. Subject to the provisions of these Articles and without prejudice to any special privileges or restriction as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on show of hands every member present in person shall have one vote and upon a poll the voting rights

of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company provided, however if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 47, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

111. On a poll taken at meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not if he votes, use all his votes or cast in the same way all the votes he used.
112. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorized in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers including the rights to vote by proxy on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
113. Any person entitled under these Articles to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the register holder of such shares provided that forty eight hours at least before the time for holding the or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
114. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation or be signed by an officer or any attorney duly authorized by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.
115. An instrument of proxy may appoint a proxy either for the purpose of particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
116. A member present by proxy shall be entitled to vote only on a poll.
117. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
118. At any General Meeting, a Resolution put to the vote at the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result on a show of hands) demanded under section 109 or voting is carried out electronically:
 - (i) by the Chairman of the Meeting; or
 - (ii) by the member or Members present in person or by proxy and holding shares in **the Company** which confer a power to vote on the Resolution being not less than one-tenth of the total voting power in respect of the Resolution; or
 - (iii) by any Member or Members present in person or by proxy and holding shares in the company on which as aggregate sum of Five Lakh Rupees has been paid up; or
 - (iv) by any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid on all the shares conferring that right.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Meeting of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

119. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.
120. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of poll shall be sole judge of the validity of every vote tendered at poll.

121. If a poll is demanded as aforesaid the same shall, subject to Articles be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situate and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
122. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to time. Once the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from each removal or from any other cause.
123. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
124. If there be joint holders of any shares, any one of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting, several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.
125. 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, if any member be a minor the vote in respect of his share or shares shall be by his guardian or any of his guardian if more than one to be selected in case of dispute by the Chairman of the meeting.
126. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
127.
 - (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.
128. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
129. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
130. 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 of any power of attorney 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.
131.
 - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entire thereof in books kept for that purpose with their pages consecutively numbered.
 - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or liability of that Chairman within that period by a Director duly authorised by the Board for the purpose.
 - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

- (iv) The minutes of each meetings shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meetings.
- (vi) Nothing herein contained shall require or be deemed to require the inclusion in such minutes of any matter which in the opinion of the Chairman of the meeting:
 - (a) is or could reasonably be regarded, as, defamatory of any person; or
 - (b) is irrelevant or immaterial to the proceeding; or
 - (c) is detrimental to the interest of the Company.

The Chairman of the meeting shall exercise on absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

- (vii) Any such minutes shall be evidence of the proceedings recorded therein.
- (viii) The book containing that minutes of proceedings of general meetings shall be kept at the registered office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the directors determine, to the inspection of any member without charge.

BOARD OF DIRECTORS

132. (i) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Sections 2(10), 149, 162 and 152 of the Act, the company shall have a Board of Directors consisting of individuals as directors and shall have a minimum of three directors and a maximum of fifteen directors.

Provided, that the Company in General Meeting by passing a special resolution, may appoint more than fifteen directors

Provided further that the Company shall have at least one women director.

- (ii) The first directors of the Company shall be:
 - (a) MR.DHIRESH SHASHIKANT GOSALIA
 - (b) MRS. MADHAVI DHIRESH GOSALIA
 - (c) MRS. USHA SHASHIKANT GOSALIA

133. If at any time the company obtains any loans or any assistance in connection therewith by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if any time the Company issues any shares, debentures and enters into any contract or arrangement with the institution whereby the institution subscribes for or underwriters the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more nominee directors at the Board the Company, then provisions of Section 161 of the Act and subject to the term and conditions of such loan, assistance, contract or arrangement with the institution shall be entitled to appoint one or more nominee Director or Directors, as the case may be, to the Board of the company and to remove from office of Board of Directors, any Director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the office of the Company. The nominee Director or Directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue on office for so long as the relative loan, assistance, contract or arrangement as the case may be, subsists.

134. If it is provided by the Trust Deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the company, then in the case of any and every such issue of Debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture director shall not be appointed in his place. A debenture director shall not be liable to retire by rotation. A Debenture director shall not be bound to hold any qualification shares.

135. The Company shall have at least one director who has stayed in India for total period of not less than one hundred and eighty-two days in the previous calendar year.
136. The Company shall have at least two directors as Independent Directors in terms of provisions of Companies (Appointment and Qualification of Directors) Rules, 2014.
137. Every Independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Act.
138. Subject of the provisions of section 152, an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.
139. Notwithstanding anything contained hereof, no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

140. The Board of Directors of the Company may, by resolution passed by the company in general meeting, appoint a person, not being a person holding any Alternate Directorship for any other director in the company, to act as an Alternate Director for a director during his absence for a period of not less than three months from India.

Provided that no person shall be appointed as an alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.

Provided further that an Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate office if and when the Director in whose place he has been appointed returns to India.

Provided also that if the term of office of the original director is determined before he so returns to India, any provisions in the Act or in these Articles for his automatic reappointment of any retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

141. Subject to the provisions of Section 161 and 152 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not, at any time exceed the maximum fixed under these Articles, and any such additional Director shall hold office only up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.
142. Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification.
143. Subject to the provisions of Sections 161, 152 and 169(7) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to act as a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director is whose place he is appointed would have held office if it has not been vacated by him.
144. (i) Subject to the provisions the section 197 and Schedule V, a Managing Director, Whole time Director or Manager shall be appointed and the terms and conditions of such appointment and remuneration, either be payable monthly or at a specified percentage of the net profits of the company or partly by one way and partly by the other, be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule.

Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a Director or Directors in such appointments, if any.

- (ii) Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a managing Director, may be paid remuneration either:

- (a) by way of monthly payment or at a specified percentage of the net profits of the company or partly by one way or partly by another way;
- (b) the sitting fee payable to a Director (including Managing Director or Whole time Director, if any), for attending each meeting of the Board or Committee thereof or for any other purpose whatsoever, shall not be more than the amount prescribed by the Act and Rules made thereunder.

Provided that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

145. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting, as above specified; and if any Director by called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

146. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum number fixed by these Articles hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of directors to the number or for summoning a General Meeting but no other purpose.

147. The office of a Director shall *ipso facto* be vacated if:

- (i) he incurs any of the disqualifications specified in section 164 of the Act, 2013;
- (ii) he absent himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (iii) he act in contravention of the provisions of Section 184 of the Act, relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (iv) he fails to disclose his interest in any contract or arrangements in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;
- (v) he becomes disqualified by an order of a court or the tribunal;
- (vi) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months.

Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;

- (vii) he has been removed in pursuance of the provisions of the Act;
- (viii) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary, or associate company, ceases to hold such office or other employment in that company.

148. Company shall not enter into any contract or arrangements 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 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.

Provided that no contract or arrangement shall be entered into by the company, in accordance with the provisions of the Section 188 of the Act and Companies (Meetings of Board and its Powers) Rules, 2014, except with the prior approval of the company by a special resolution.

Provided further that no member of the company shall vote on such special resolution, to approve any contract or arrangements which may be entered into by the company, if such member is a related party.

Provided also that nothing in these Articles 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.

149. Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

150. Without prejudice to above, it shall be open to the company to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of Section 188 of the Act for recovery of any loss sustained by it as a result of such contract or arrangement.

151. Every director shall at the first meeting of the Board of Directors in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after any such change, disclose his concern or interest in any company or companies or bodies corporate, firms or other association of individuals which shall include the shareholding, in such manner as may be prescribed.

152. Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in the provisions of Section 184 of the Act;

Provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

153. A contract or arrangement entered into by the company without disclosure or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

154. A General Notice given to the Board by the Directors, to the effect that he is a Director or member of a specified bodies corporate or is a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relating to any contract or arrangement so made. All such notices shall be kept at the registered office of the company and shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the Company secretary or any other person as authorized by the Board.

155. No Director shall as direct to take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement not shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall:

- (i) be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;
- (ii) apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two percent of the paid up share capital in other company.

156. The Company shall keep one or more Registers under Section 189 of the Act, giving separately the particulars of all contracts or arrangements in compliance with the provisions of Section 184 and 188, in such manner and containing such particulars as required by the Act and shall within the time specified in the section, entering the particulars, such register shall be placed before the next meeting of the Board and signed by all the directors present at the meeting.

The Register aforesaid shall also specify, in relation to each director of the company the names of the bodies corporate and firms of which notice has been given by him under these Articles. The Register shall be kept at the registered office of the Company and shall be open for inspection at such office during business hours and extracts may be taken therefrom and copies thereof as may be required by any member of the company, shall be furnished by the company to such extent, in same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

157. A Director may be or become a director of any company promoted by the company or in which it may be interested as a vendor, share holder, otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197(14) or Section 188 of the Act may be applicable.
158. At every Annual General Meeting of the Company, one third of such of the directors for the time being, as are liable to retire by rotation or if their number is neither three nor a multiple of three, the number nearest to one-third shall retire from office.
159. Subject to Section 152 of the Act, the Directors to retire by rotation under Article 135 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall in default of and subject to any agreement among themselves, be determined by lot.
160. At the Annual General Meeting at which a director retires under Article 135, the company may fill up the vacancy by appointing the retiring director or some other person thereto.
161. A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the registrar in such manner, within such time and such form as prescribed in the Act, and shall also place the fact of such resignation in the report of Directors laid in the immediately following general meeting by the company. The company shall follow the provisions of Section 168 of the Act.

Provided that a director shall also forward a copy of his resignation alongwith detailed reasons for the resignation, if required under the Act, to the registrar within thirty days of resignation in such manner as prescribed in the Act.

162. (i) If the vacancy of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.
- (ii) If at the adjourned meeting also, the vacancy of the retiring Director is not so filled up and the meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been reappointed at the adjourned meeting, unless:
 - (a) at that meeting or at the previous meeting the resolution for the re-appointment of such Director has been put to the meeting and lost;
 - (b) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
 - (c) he is not qualified or is disqualified for appointment;
 - (d) a resolution whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
 - (e) the provisions of Section 162 of the Act is applicable to the case.
163. (i) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting left at the office of the company a notice in writing under his hand signifying his candidature for the office of Director or as the case may be, the intention of such member to propose him as a candidate for that office.
- (ii) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the company a notice under Section 160 of the Act Signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director if appointed along with the deposit of rupees one lakh.

- (iii) A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a director of the Company unless he has within thirty days of his appointment signed and filed with the Register his consent in writing to act as such Director.
164. The Company shall keep at its registered office a register containing the particulars of its directors and key managerial personnel mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
165. Company shall file a return containing particulars and documents as prescribed by the Act, for appointment or changes, if any, of the directors and key managerial personnel of the company, as the case may be, with the Registrar of the Companies within a period of thirty days any such appointment or changes.

REMOVAL OF DIRECTORS

166. (i) The Company may (Subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) remove any Directors before the expiry of his period of office.
- (ii) Special notice as provided by Section 115 of the Act shall be given for any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed, at the meeting at which he is removed.
- (iii) On receipt of notice of a resolution to remove a Director under this article, the Company shall forthwith send a copy thereof to the Director concerned and the Director, whether or not he is a member of the Company, shall be entitled to be heard on the resolution at the meeting.
- (iv) Where notice has been given of a resolution to remove a Director under this Article and the director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests its notification to members of the Company, the company shall, unless the representations are received by it too late for it to do so:
- (a) in the notice of the resolutions given to members of the company, state the fact of the representations having been made, and
 - (b) send a copy of the representations to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company),
- and if a copy of the representation is not sent as aforesaid because they were received too late or because of the company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting,
- provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter and tribunal may order the company's cost on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.
- (v) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the company in General Meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed,
- Provided special notice of the intended appointment has been given.
- A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
- (vi) If the vacancy is not filled, it may be filled as a casual vacancy in accordance with the provisions of the Act, in so far as they are applicable

Provided that the Director who was removed from office under these Articles shall not be reappointed as a Director by the Board of Directors.

- (vii) Nothing contained in this Article shall be taken:
 - (a) as depriving a person removed under these Articles of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as Director, or of any other appointment terminating with that as director; or
 - (b) as derogating from any power to remove a Director under other provisions of the Act.

MANAGING DIRECTOR

167. The Company shall not appoint or employ at the same time a managing director and a manager.
168. The Company shall appoint or re-appoint any person as its managing director, whole-time director or manager for term not exceeding five years at a time;
- Provided that no re-appointment shall be made earlier than one year before the expiry of his term.
169. Subject to the provisions the section 197 and Schedule V, a Managing Director, Whole time Director or Manager shall be appointed and the terms and conditions of such appointment and remuneration, either be payable monthly or at a specified percentage of the net profits of the company or partly by one way and partly by the other, be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule.
- Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a Director or Directors in such appointments, if any.
170. The Company shall not appoint or employ, or continue the appointment or employment of a person as its managing director, whole-time Director or manager who:
- (i) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;
 - (ii) is an undischarged insolvent; or has at any time been adjudged as an insolvent;
 - (iii) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
 - (iv) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.
171. Subject to the provisions of the Act, where an appointment of managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.
172. The Board of Directors may appoint Managing or Whole Time Director, Director or Manager to manage the affairs of the company and/or a secretary or other officers for such remuneration and on such terms and conditions with the sanctions of the Board and / or shareholders in General Meeting and also approved by the Central Government. A Managing Director cannot be appointed for a term exceeding five years at a time.
173. Notwithstanding anything contain under section 203 of Companies Act 2013 read with rules framed there under as applicable if any, the Managing Director shall also act as Chairman of the Company, Chairman of the Board Meetings and General Body Meetings of Members of the Company.
174. The Directors may appoint a Vice chairman of the Board of Directors to preside at meetings of the directors at which the chairman not be present and determine the period for which he is hold office.
175. All meeting of the Directors shall be presided over by the chairman if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same or the chairman refuse to preside, the Vice-Chairman, if present, shall preside and if the Vice-Chairman be not present at such time or if the Vice- Chairman refuses to preside or if no Chairman or Vice Chairman has been appointed under the Article and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

PROCEEDINGS OF THE BOARD OF DIRECTORS

176. The Directors may meet together as a Board for the dispose of business from time to time, and shall so meet at least four times in a year in such manner, that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit.
177. The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as prescribed in the Companies (Meeting of Board and its Powers) Rules, 2014, which are capable of recording and recognizing the participation of the directors and recording and storing the proceedings of such meeting alongwith date and time.
178. The Secretary or any officer of the Company, by order of the Board, shall sent notice in writing of every Board meeting called, to every Director, not less than seven days before the meeting at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.

Provided that a meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting;

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director, if any.

179. The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed or if any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose someone of them to be Chairman of such meeting.
180. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within the Board, the meeting stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.
181. A Meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these articles for the time being vested in or exercisable by the Board.
182. Subject to the provisions of Section 203 and 196 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
183. The Board shall exercise the following powers on behalf of the company by means of resolution passed at the meetings of the Board, namely:
- (i) to make calls on shareholders in respect of money unpaid on the shares;
 - (ii) to authorise buy-back of securities under section 68 of the Act;
 - (iii) to issue securities, including debentures, whether in or outside India;
 - (iv) to borrow monies;
 - (v) to invest the funds of the company;
 - (vi) to grant loans or give guarantee or provide security in respect of loans;
 - (vii) to approve financial statements and the Board's Report;
 - (viii) to diversify the business of the company;
 - (ix) to approve amalgamation, merger or reconstruction;
 - (x) to take over a company or acquire a controlling or substantial stake in another company;
 - (xi) any other matter which may be prescribed.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committees of directors, the managing director, the manager or any other principal officer of the company or in case of a branch office of the company, the principal officer of the branch office, the powers specified in clause (iv) to (vi) on such conditions As it may specify:

184. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far the same are applicable thereto, and are not superseded by any regulations made by the Board under these Articles.
185. Save in those case where a resolution is required by Sections 161,179,188,203, and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be a valid and effectual as if it had been passed at a meeting of the Board or committee of the board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the directors, or to all the member of the Committee of the board as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual address in India and has been approved by such of them as are then in India or by majority of them as are entitled to vote on the resolution.
186. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have been terminated.
187. (i) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in book kept for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceeding of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (iii) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings
- (vi) The minutes shall also contain:
- (a) The name of the Directors present at the meeting; and
- (b) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (vii) Nothing contained in sub-clauses (i) to (vi) shall deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting;
- (a) is, or could reasonably be regarded as defamatory of any person;
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interest of the Company.
- The Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (viii) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
188. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulation being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior to act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall exercise

the powers as specified in section 180 of the Act only with the consent of the company by a special resolution in General Meeting, namely:

- (i) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertaking.
- (ii) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation.
- (iii) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate to its paid-up capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.
- (iv) to remit, or give time for the repayment of, any debt from a director.
- (v) contribute to *bona fide* charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amount the aggregate of which, in any financial year, exceed five percent of its average net profits for the three immediately preceding financial years.

189. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power;

- (i) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (ii) to pay any charge to the capital amount of the Company and Commission or interest lawfully payable thereout under the provisions of the Act;
- (iii) subject to Section 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or otherwise acquisition to accept such title as the Directors may believe or may be advised to a reasonably satisfactory;
- (iv) at their discretion and subject to the provisions of the Act to pay for any (property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in case of shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the company and its uncalled capital or not so charged;
- (v) to secure the fulfillment of any contracts or engagement entered into by the company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the firm being or in such manner as they may think fit;
- (vi) to accept from any members, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (vii) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (viii) to institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon;
- (ix) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (x) to make and give receipts releases, and other discharge for moneys payable to the Company and for the claims and demands of the Company.
- (xi) subject to the provisions of Sections 179 and 185 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this

Company), or without security and in such manner as they think fit, and from time to time vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;

- (xii) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (xiii) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts, and documents and to give the necessary authority for such purpose.
- (xiv) to distribute by way of bonus amongst the staff of the Company, share or shares in the profits of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- (xv) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason or locality of operation, or of public and general utility or otherwise;
- (xvi) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation to depreciation fund, or to an Insurance Fund, or as a Reserve Fund, or sinking fund or any special fund to meet contingencies or to repay debentures or Debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving extending and maintaining any of the property of the Company and such for other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital monies of the company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation, fund, in the business of the company or in the purchase or re-payment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;
- (xvii) to appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants of permanent temporary or special services, as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit. Also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clause shall be without prejudice to the general powers conferred by this sub-clause;
- (xviii) to comply with requirements of any local law which in their opinion it shall, in the interests of the Company, be necessary or expedient to comply with;
- (xix) from time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Boards and to fix their remuneration;

- (xx) subject to Section 179 of the Act, from time to time and at any time, to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annual or vary any such delegation.
- (xxi) at any time and from time to time by power of Attorney under the Seal of the Company, to appoint person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the shareholders, Directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- (xxii) subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient;
- (xxiii) from time to time to make vary and repeal by law for the regulation of the business of the Company, its officer and servants.

CHIEF EXECUTIVE OFFICER, MANAGER, SECRETARY or CHIEF FINANCE OFFICER

190. 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 think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
191. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

192. (i) The Board shall provide a Common Seal for the purpose of the company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and 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 or one director and the secretary or such other person as the Board may appoint for the purpose; and those two directors or one director 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 RESERVES

193. The company in general meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the company in general meeting may declare a smaller dividend.
194. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

195. No dividend shall be declared or paid by the company for any financial year except, Out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of schedule II of the Act, or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that schedule and remaining undistributed, or out of both, provided that;
- (i) The company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of our company:
 - (ii) Where owing to inadequacy or absence of profits in any financial year, the company proposes to declare dividend out of the accumulated profits earned by it in previous year and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with Companies (Declaration and Payment of Dividend) Rules, 2014.
 - (iii) No dividend shall be declared or paid by the company from its reserves other than free reserves.
196. The Board of Directors of the Company may declare interim dividend during any financial year out the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared.
- Provided that in case the company has incurred loss during the current financial year upto the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.
197.
 - (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.
198. No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the company in respect of such share or shares or otherwise however, either alone or jointly with any other person or persons and the Board may deduct from any dividend or interest 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.
199.
 - (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 on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
 - (ii) No dividend shall be paid by the company in respect of any share therein except to the registered shareholder of such share or his order or to his banker and shall not be payable except in cash.

Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company.

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.
200. 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.
201. 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.
202. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf In any scheduled bank, to be called "Unpaid

Dividend Account". The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, 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 and such forfeiture, if effected, shall be annulled in appropriate cases. The company shall comply with the provisions the Act in respect of all unclaimed or unpassed dividend.

203. No dividend shall bear interest against the company.

CAPITALISATION OF PROFITS

204. (i) The company in general meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in 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 (iii), either in or towards:
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (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 members of the company as fully paid bonus shares;
 - (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
205. (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 capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power:
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

ACCOUNTS

206. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of Account in accordance with Section 128 the Act.

207. Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the company the Company shall within (seven days of the decision) file with the Registrar a notice in writing given the full address of that other place.
208. The Company may keep the books, the accounts or other relevant papers in accordance with Section 128 of the Act, in electronic mode in such manner as prescribed.
209. The Company shall preserve in good order the Books of Accounts relating to period of not less than eight years immediately preceding the financial year together with the vouchers relevant to any entry in such books of Account.
210. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its office or other place in India, at which the company's Books of Account are kept as aforesaid.
211. The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions; The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.
212. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being Directors.
213. No member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board or by the company in general meeting.
214. The Directors shall from time to time, in accordance with Sections 129, 133 and 134 of the Act, cause to be laid before the company in General Meeting, such Balance Sheets, profits and loss account and reports as are required by these Sections.
215. A Copy of every Balance Sheet and Profit and loss account (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing salient features of such documents in the prescribed form, as laid down under Section 136 of the Companies Act, 2013 as the Company may deem fit, shall not less than twenty-one days before the Meeting at which the Balance Sheet and the profit and loss Account are to be laid before the Members, be sent to every person entitled thereto pursuant to the provisions of the Section 136 of the Companies Act, 2013 provided this Article shall not require a copy of the documents to be sent to any person of whose address the Company is not aware of or to more than one of the joint holders of any shares.

AUDIT

216. Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 145 of the Act.
217. The first Auditor or auditors of the company shall be appointed by the board within one month of the date of registration of the company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first annual general meeting:

Provided that the Company may, at a General Meeting remove and such auditor or all of such auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the meeting,

Provided further that if the Board fails to exercise its powers under this Article, the Company in General Meeting may appoint the first Auditor or Auditors.

Provided also that before such appointment is made, the written consent of auditor to such appointment and a certificate from him or it that the appointment if made, shall be in accordance with the conditions as prescribed, shall be obtained from the auditor.

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in section 141 of the Act.

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the registrar within fifteen days of the meeting in which the auditor is appointed.

DOCUMENTS AND NOTICES

218. (i) A document or notice may be served or given by the Company or any member either personally or sending its by post to him to his registered address, if he has no registered address in India, to the address, if any, in India supplied by him to the Company for serving documents of notice on him.
- (ii) Where a documents or notice is sent by post, services of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice provided that where a member has intimated to the Company in advance that documents or notices should be sent him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be the manner intimated by the member and; such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
219. A document or notice advertised in a news paper circulating in the neighborhood of the office shall be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company any address within India for serving of documents or the sending of notices to him.
220. A document or notice may be served or given by the Company on or given to the joint-holders of a share by serving or giving the document or notice or on or to the joint-holders named first in the Register of members in respect of the share.
221. A document or notice may be served or given by the Company on or to the person 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 of representatives of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
222. Document or notices of every General Meeting shall be served or given in the same hereinbefore authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor of Auditors for the time being of the Company.
223. Every person whom by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of members, shall have been duly served on or given to the person from whom he derives his title to such share.
224. Any document or notice to be served or given by the Company may be signed by a director or some person duly authorized by the Board of directors for such purpose and the signatures thereto may be written printed or lithographed.
225. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or any officer at the office by post under a certificate of posting or by registered post or by speed post or by courier or by delivering at his office or address, or by such by electronic or other mode.

RECONSTRUCTION

226. On any sale of the undertaking of the company the Board or the Liquidators on a winding-up may, if authorized by a Special Resolution accept fully paid or partly paid-up shares, debentures or securities of any other company whether incorporated in India or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in trustees for them and any special Resolution may provide for the distribution or appropriation of the cash shares or other securities, benefits or property otherwise than in accordance with the strict legal right of the member or contributories of the company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation the course of being wound up, such statutory right (if any) under of the Act as are incapable of being varied excluded by these Articles.

WINDING UP

227. Subject to the provisions of Chapter XX of the Act and rules made thereunder:
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
 - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND RESPONSIBILITY

228. Every officer of the company shall be indemnified out of the assets of the company 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 in which relief is granted to him by the court or the Tribunal.

SECRECY

229. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so declaration pledging himself to observe strict secrecy regarding all 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 Board as by Court of Law and except so far as be necessary in order to comply with any; of the provisions of these presents constituted.

GENERAL AUTHORITY

230. 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.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts, which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be, deemed material, will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents and contracts, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and available at <https://www.jesons.net/corporate-governance.php> from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated November 19, 2021 between our Company, the Promoter Selling Shareholder and the BRLMs.
2. Registrar Agreement dated November 18, 2021 between our Company, the Promoter Selling Shareholder and the Registrar to the Offer.
3. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.
4. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Bank and the Refund Bank(s).
5. Share Escrow Agreement dated [●] between our Company, the Promoter Selling Shareholder and the Share Escrow Agent.
6. Syndicate Agreement dated [●] between our Company, the Promoter Selling Shareholder, the BRLMs and the Syndicate Members.
7. Underwriting Agreement dated [●] between our Company, the Promoter Selling Shareholder and the Underwriters.

B. Material Documents

1. Certified copies of the MoA and AoA of our Company, as amended.
2. Certificate of incorporation issued by the RoC dated October 12, 1999.
3. Certificate of commencement of business issued by the RoC dated December 27, 1999.
4. Resolution of the Board and Shareholders dated October 19, 2021, 2021 and November 6, 2021, respectively, in relation to the Offer and other related matters.
5. Resolution of the Board dated November 18, 2021 approving the DRHP.
6. Limited Liability Company Operating Agreement dated December 1, 2017 between our Company and Dura Chemicals, Inc.
7. Limited Liability Partner Agreement dated October 15, 2019 (“LLP Agreement”) between our Company and Mr. Dhires Shashikant Gosalia read with the amendments to LLP Agreement dated March 30, 2020, March 30, 2021, April 1, 2021 and September 30, 2021 between our Company and Mr. Dhires Shashikant Gosalia.
8. Business Support Service Agreement entered dated March 19, 2020 between our Company and Jesons Techno Polymers LLP.
9. Service agreement dated March 29, 2019 between our Company and our Dhires Shashikant Gosalia, our Managing Director.

10. Service agreement dated March 29, 2019 between our Company and Madhavi Dhires Gosalia, our Executive Director.
11. Service agreement dated March 29, 2019 between our Company and Raju Vinod Palvia, our Whole-time Director.
12. Copies of the audited consolidated financial statements of our Company for the Financial Years 2021, 2020 and 2019.
13. The examination report of the Statutory Auditor dated October 19, 2021 on our Restated Consolidated Summary Statements, included in this Draft Red Herring Prospectus along with the Restated Consolidated Summary Statements.
14. The statement of special tax benefits dated November 19, 2021 issued by the Statutory Auditors.
15. Written consent of the Directors, Company Secretary and Compliance Officer, the BRLMs, the Syndicate Members, Legal Counsel to our Company and Promoter Selling Shareholder as to Indian law, Legal Counsel to the BRLMs as to Indian Law, Special International Legal Counsel to the BRLMs, lenders to our Company, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), Sponsor Bank, Bankers to our Company, Frost & Sullivan, as referred to in their specific capacities.
16. Written consent dated November 19, 2021 from M S K A & Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated November 19, 2021 relating to the Restated Consolidated Financial Statements; and (ii) their statement of special tax benefits dated November 19, 2021 in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
17. Written consent dated November 19, 2021 from D M K H & Co., Chartered Accountants, to include their name as Independent Chartered Accountants 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, in respect of the proposal issued, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
18. Written consent dated November 12, 2021 and November 10, 2021 from IAAN Consultantss, Chartered Engineers and Anand Kumar Jain, Chartered Engineers, respectively, to include their name as Independent Chartered Accountants 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, in respect of the proposal issued, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
19. Industry report dated November 17, 2021, titled “*Independent Market Report – Global Adhesives and Emulsions Market*”, prepared by F&S, commissioned by our Company, which is available on the website of our Company at <https://www.jesons.net/industry-report.php>.
20. Letter dated August 5, 2021 appointing F&S as the industry report provider.
21. Consent letter from the Promoter Selling Shareholder, authorising his participation in the Offer.
22. Due diligence certificate dated November 19, 2021, addressed to SEBI from the BRLMs.
23. In – principle approvals dated [●] and [●] issued by BSE and NSE, respectively.
24. Tripartite agreement dated December 3, 2015 between our Company, NSDL and the Registrar to the Offer.
25. Tripartite agreement dated October 7, 2021 between our Company, CDSL and the Registrar to the Offer.
26. SEBI observation letter bearing reference number [●] and dated [●].
27. Personal guarantees dated July 27, 2021, January 16, 2021, February 5, 2021, May 20, 2020 and January 22, 2021 provided by our Promoter.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Dhiresb Shashikant Gosalia
Managing Director

Place: Mumbai

Date: November 19, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Raju Vinod Palvia
Whole – time Director

Place: Mumbai

Date: November 19, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Madhavi Dhiresh Gosalia
Executive Director

Place: Mumbai

Date: November 19, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shreyas Mahendra Patel
Independent Director

Place: Mumbai

Date: November 19, 2021

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR COMPANY

Amitabh Verma
Independent Director

Place: Mumbai

Date: November 19, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Deeti Ojha
Independent Director

Place: Delhi

Date: November 19, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER

Deepak Ladha

Place: Mumbai

Date: November 19, 2021

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Dhiresh Shashikant Gosalia, 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 myself, as the Promoter Selling Shareholder, and the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder for any other statements, disclosures, and undertakings, including any statements made or confirmed by, or relating to, the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

Dhiresh Shashikant Gosalia

Place: Mumbai

Date: November 19, 2021