LAXMI ORGANIC INDUSTRIES LIMITED

Our Company was incorporated as Laxmi Organic Industries Limited at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 15, 1989 issued by the Registrar of Companies, Maharashtra at Mumbai. Our Company received a certificate for commencement of business on December 20, 1989 pursuant to the provisions of the Companies Act 1956. For further details relating to the changes in the registered office of our Company, see "*History and Certain Corporate Matters*" on page 187.

Registered Office: A-22/2/3, MIDC, Mahad, Raigad - 402 309, Maharashtra; **Tel:** +91-2145-232424
Corporate Office: Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400021, Maharashtra; **Tel:** +91-22-49104444
Contact Person: Aniket Hirpara, Company Secretary and Compliance Officer; **Tel**: +91-22-49104467; **E-mail:** investors@laxmi.com; **Website**: www.laxmi.com
Corporate Identity Number: U24200MH1989PLC051736

OUR PROMOTERS: YELLOW STONE TRUST AND RAVI GOENKA

INITIAL PUBLIC OFFERING OF 46,153,846 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF LAXMI ORGANIC INDUSTRIES LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 130.00 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 128.00 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹ 6,000.00 MILLION* ("OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF 23,076,923** EQUITY SHARES AGGREGATING TO ₹ 3,000.00 MILLION* ("FRESH ISSUE") AND AN OFFER FOR SALE OF 23,076,923** EQUITY SHARES AGGREGATING TO ₹ 3,000.00 MILLION BY YELLOW STONE TRUST ("PROMOTER SELLING SHAREHOLDER"), (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER WILL CONSTITUTE 17.50%** OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

***OUR COMPANY HAS, IN CONSULTATION WITH THE BRLMs, UNDERTAKEN A PRIVATE PLACEMENT OF 15,503,875 EQUITY SHARES AGGREGATING TO ₹ 2,000.00 MILLION ("PRE-IPO PLACEMENT"). THE SIZE OF THE FRESH ISSUE OF EQUITY SHARES AGGREGATING UP TO ₹ 5,000.00 MILLION HAS BEEN REDUCED BY ₹ 2,000.00 MILLION PURSUANT TO THE PRE-IPO PLACEMENT AND ACCORDINGLY, THE FRESH ISSUE COMPRISES OF 23,076,923** EQUITY SHARES AGGREGATING TO ₹ 3,000.00 MILLION AND CONSEQUENTLY THE OFFER SIZE WAS REDUCED FROM UP TO ₹ 8,000.00 MILLION TO ₹ 6,000.00 MILLION.**
**** SUBJECT TO FINALISATION OF THE BASIS OF ALLOTMENT.**

This Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). This Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), and our Company and the Promoter Selling Shareholder in consultation with the BRLMs allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer was 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. All Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account, which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). Anchor Investors were not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" beginning on page 367.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 2. The Offer Price, Floor Price and Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 27.

ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Promoter Selling Shareholder accepts responsibility for and confirms that the statements made or confirmed by such Promoter Selling Shareholder in this Prospectus to the extent of information specifically pertaining to it and its portion of the Equity Shares offered in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated January 5, 2021. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A copy of the Red Herring Prospectus was filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013 and a copy of this Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents which were made available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 408.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
Axis Capital Limited Address: 1st Floor, Axis House C-2 Wadia International Center Pandurang Budhkar Marg Worli, Mumbai- 400 025 Maharashtra Tel: +91 22 4325 2183 E-mail: laxmi.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Sagar Jatakiya SEBI Registration No.: INM000012029	**DAM Capital Advisors Limited** **(**Formerly known as IDFC Securities Limited**)** Address: One BKC, Tower C, 15th Floor Unit No. 1511, Bandra Kurla Complex Bandra (East), Mumbai – 400 051 Maharashtra Tel: +91 22 4202 2500 E-mail: laxmi.ipo@damcapital.in Investor Grievance E-mail: complaint@damcapital.in Website: www.damcapital.in Contact Person: Kunal Thakkar SEBI Registration No.: MB/INM000011336	**Link Intime India Private Limited** C101, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai - 400 083, Maharashtra Tel: +91 22 4918 6200 Email: laxmiorganic.ipo@linkintime.co.in Investor grievance email: laxmiorganic.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENED ON	Monday, March 15, 2021*
BID/OFFER CLOSED ON	Wednesday, March 17, 2021

** The Anchor Investor Bidding Date was one Working Day prior to the Bid/Offer Opening Date in this case being, Friday, March 12, 2021.*

TABLE OF CONTENTS

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, terms in "Main Provisions of the Articles of Association", "Statement of Possible Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Financial Information" and "Outstanding Litigation and Other Material Developments", beginning on pages 382, 128, 131, 182, 233 and 340 will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
our Company, the Company or the Issuer	Laxmi Organic Industries Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at A-22/2/3, MIDC, Mahad, Raigad - 402 309, Maharashtra.
we/us/our	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis

Company related terms

Term	Description
AHPL	Acetyls Holding Private Limited
AI / Acetyl Intermediate	Acetyl intermediates manufactured by us including ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents
AI Manufacturing Facility	Our manufacturing facility located at Mahad, Raigad, Maharashtra for manufacturing Acetyl Intermediates
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Associate	Associate of our Company as set out in "*Our Subsidiaries and Associate*" on page 192
Audit Committee	Audit committee of our Company, described in "*Our Management*" on page 199
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being Natvarlal Vepari & Co., Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, as constituted from time to time
Chairman and Managing Director	Chairman and managing director of our Company, Ravi Goenka
Chairman Emeritus	Chairman emeritus of our Company, Vasudeo Goenka
Executive Director and Chief Executive Officer/CEO	Executive Director and chief executive officer of our Company, Satej Nabar
Chief Financial Officer/ CFO	Chief financial officer of our Company, Partha Roy Chowdhury
Clariant	Clariant Chemicals (India) Limited
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Aniket Hirpara
Corporate Office	The corporate office of our Company, situated at Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400021, Maharashtra
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, described in "*Our Management*" on page 199

Term	Description
Director(s)	The director(s) on our Board
Distilleries	The Jarandeshwar Distillery and Panchganga Distillery, collectively
Equity Shares	The equity shares of our Company of face value of ₹ 2 each
ESOP-2014	Laxmi Organic Industries Limited - Employee Stock Option Plan 2014
ESOP-2020	Laxmi Organic Industries Limited- Employee Stock Option Plan 2020
Executive Director(s)	Executive Directors of our Company, currently Ravi Goenka, Satej Nabar and Harshvardhan Goenka
Group Companies	The companies as disclosed in "*Group Companies*" of page 226
Independent Directors	Independent directors of our Company
IPO Committee	The IPO committee of our Board
Jarandeshwar Distillery	Our distillery located in Satara district in Maharashtra for manufacturing ethanol or specially denatured spirit
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in "*Our Management-Key Managerial Personnel*" on page 217
Manufacturing Facilities	The AI Manufacturing Facility and SI Manufacturing Facility, collectively For details, see "*Our Business-Our Manufacturing Facilities and Distilleries*" on page 176
Materiality Policy	The policy adopted by our Board on November 25, 2020, for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus
Material Subsidiary/Laxmi Netherlands	Laxmi Organic Industries (Europe) B.V.
Miteni	Fallimento Miteni SpA
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, described in "*Our Management*" on page 199
Non-Executive Director	A Director not being an Executive Director of our Company
Panchganga Distillery	Our distillery located in Kolhapur district in Maharashtra for manufacturing ethanol or specially denatured spirit
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in "*Our Promoters and Promoter Group*" on page 221
Promoter(s)	The Promoters of our Company, being Yellow Stone Trust and Ravi Goenka. For details, see "*Our Promoters and Promoter Group*" on page 221
Promoter Selling Shareholder	The selling shareholder, participating in the Offer for Sale, namely Yellow Stone Trust
Proposed Facility	The manufacturing facility proposed to be set up by our Subsidiary, YFCPL at Lote, Parshuram, Maharashtra for manufacture of fluorospecialty chemicals
Rabale Innovation Centre	The innovation centre of our Company located at Rabale, Navi Mumbai, Maharashtra
Registered Office	The registered office of our Company, situated at A-22/2/3, MIDC, Mahad, Raigad - 402 309, Maharashtra
Restated Consolidated Financial Statements	The restated consolidated financial information of our Company which comprises of the restated consolidated statement of assets and liabilities as at September 30, 2020 , March 31, 2020, March 31, 2019 and March 31, 2018; the restated consolidated statement of profit and loss (including other comprehensive income); the restated consolidated statement of changes in equity; the restated consolidated cash flow statement for the six month period ended September 30, 2020 and for the Fiscals ended March 31, 2020, March 31, 2019 and March 31, 2018; the summary statement of significant

Term	Description
	accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
RoC/Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai
Shareholders	The holders of the Equity Shares from time to time
SI/ Specialty Intermediate	Specialty intermediates manufactured by us including ketene, diketene derivatives namely esters, acetic anhydride, amides, arylides and other chemicals
SI Manufacturing Facility	Our manufacturing facility located at Mahad, Raigad, Maharashtra for manufacturing Specialty Intermediates
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Company, described in "*Our Management*" on page 199
Subsidiary(ies)	Subsidiaries of our Company as set out in "*Our Subsidiaries and Associate*" on page 192
VLPL	Viva Lifesciences Private Limited, a wholly-owned Subsidiary of our Company
YCPL Acquisition	The proposed acquisition by our Company of Yellowstone Chemicals Private Limited (a wholly-owned subsidiary of AHPL) through purchase of 100% stake in AHPL pursuant to the share purchase agreement dated December 9, 2020 entered into among our Company, AHPL, YCPL and the shareholders of AHPL being, Ravi Goenka (our individual Promoter) and Harshvardhan Goenka (an Executive Director)
YCPL	Yellowstone Chemicals Private Limited a wholly-owned Subsidiary of AHPL
YCPL Facility	The manufacturing facility of YCPL located in Mahad, Raigad, Maharashtra currently engaged in the manufacturing of acetaldehyde and ethyl acetate
YFCPL	Yellowstone Fine Chemicals Private Limited, a wholly-owned Subsidiary of our Company

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Promoter Selling Shareholder pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
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
Anchor Investor Allocation Price	₹ 130 per Equity Share, being the price at which Equity Shares were allocated to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, in this case being, Friday, March 12, 2021 on which Bids by Anchor Investors were to be submitted and, prior to and after which the BRLMs have not accepted any Bids from Anchor Investors, and allocation to Anchor Investors was completed

Term	Description
Anchor Investor Offer Price	₹130 per Equity Share, being the final price at which the Equity Shares shall be Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus. The Anchor Investor Offer Price was decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs
Anchor Investor Portion	60% of the QIB Portion consisting of 13,846,153 Equity Shares which was 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 One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and includes applications made by RIIs using the UPI Mechanism where the Bid Amount was blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which has been blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Axis Capital	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" beginning on page 367
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	115 Equity Shares and in multiples of 115 Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries did not accept any Bids, being Wednesday, March 17, 2021

Term	Description
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries started accepting Bids, being Monday, March 15, 2021
Bid/ Offer Period	Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders have submitted their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations.
Bidder	Any investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Centers at which the Designated Intermediaries could accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer namely, Axis Capital Limited and DAM Capital Advisors Limited (formerly known as IDFC Securities Limited)
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders could submit the ASBA Forms, provided that Retail Individual Investors could only submit ASBA Forms at such broker centres if they were Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, being ₹ 130 per Equity Share
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder’s beneficiary account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, being ₹ 130 per Equity Share Only Retail Individual Investors were entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Investors were not entitled to Bid at the Cut-off Price
DAM Capital	DAM Capital Advisors Limited *(formerly known as IDFC Securities Limited)*
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders could submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and this Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
Designated Intermediaries	In relation to ASBA Forms submitted by Retail Individual Investors (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by Retail Individual Investors (Bidding using the UPI Mechanism) where the Bid Amount has been blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs.
Designated RTA Locations	Such locations of the CRTAs where Bidders could submit the ASBA Forms to CRTAs. The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	NSE
Draft Red Herring Prospectus / DRHP	The draft red herring prospectus dated December 15, 2020 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constituted an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors have transferred money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	The escrow and sponsor bank agreement dated March 3, 2021 entered into amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Member and Banker(s) to the Offer in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) have been opened, in this case being Axis Bank Limited

Term	Description
First Bidder	Bidder whose name has been mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name was to appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, being ₹ 129 per Equity Share
Fresh Issue	The fresh issue of 23,076,923** Equity Shares by our Company, at ₹ 130.00 per Equity Share (including a premium of ₹ 128.00 per Equity Share) aggregating to ₹ 3,000.00* million. *Our Company has, in consultation with the BRLMs, undertaken the Pre-IPO Placement. Accordingly, the size of the Fresh Issue was reduced from up to ₹ 5,000.00 million to ₹ 3,000.00 million ** *Subject to finalisation of the Basis of Allotment*
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes &intmId=40 or such other website as may be updated from time to time, which could be used by RIIs to submit Bids using the UPI Mechanism
Monitoring Agency	Axis Bank Limited
Mutual Fund Portion	5% of the Net QIB Portion, or 461,539* Equity Shares, which was available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price **Subject to finalisation of the Basis of Allotment*
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue and the Pre-IPO Placement together with the proceeds from the Pre-IPO Placement
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of 69,23,077* Equity Shares, which was available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price **Subject to finalisation of the Basis of Allotment*
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offering of 46,153,846** Equity Shares for cash at a price of ₹ 130 each, aggregating to ₹ 6,000.00* million comprising the Fresh Issue and the Offer for Sale *Our Company has, in consultation with the BRLMs, undertaken the Pre-IPO Placement. The size of the Fresh Issue was reduced from up to ₹ 5,000.00 million up to ₹ 3,000.00 million and consequently, the size of the Offer was reduced from up to ₹ 8,000.00 million to ₹ 6,000.00 million ***Subject to finalisation of the Basis of Allotment*

Term	Description
Offer Agreement	The agreement dated December 15, 2020 amongst our Company, the Promoter Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale component of the Offer, comprising of an offer for sale of 23,076,923* Equity Shares at ₹ 130 per Equity Share aggregating to ₹ 3,000.00 million by Yellow Stone Trust **Subject to finalisation of the Basis of Allotment*
Offer Price	₹ 130.00 per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and this Prospectus. The Offer Price was decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process
Offered Shares	The Equity Shares being offered by the Promoter Selling Shareholder in the Offer for Sale comprising of 23,076,923* Equity Shares aggregating to ₹ 3,000.00 million **Subject to finalisation of the Basis of Allotment*
Pre-IPO Placement	Private placement of 15,503,875 Equity Shares by our Company, in consultation with the BRLMs, aggregating to ₹ 2,000.00 million. For further details in relation to the Pre-IPO Placement, see "*Capital Structure*" on page 83
Price Band	Price band of a minimum price of ₹ 129 per Equity Share (Floor Price) and the maximum price of ₹ 130 per Equity Share (Cap Price). The Price Band and the minimum Bid Lot for the Offer have been decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and have been advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and the Raigad edition of Krushival (a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered is situated) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and were 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, have finalised the Offer Price
Prospectus	This Prospectus dated March 18, 2021 to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The banks with which the Public Offer Account(s) has been opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being HDFC Bank Limited

Term	Description
QIB Category/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of 2,30,76,922* Equity Shares which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation was on a discretionary basis, as determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price **Subject to finalisation of the Basis of Allotment*
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus dated March 4, 2021 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares have been offered and the size of the Offer including any addenda or corrigenda thereto The Bid/Offer Opening Date was at least three Working Days after the filing of Red Herring Prospectus with the RoC.
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) has been opened, in this case being Axis Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated December 14, 2020 among 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 to the Offer/ Registrar	Link Intime India Private Limited
Retail Individual Investors(s)/ RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of 1,61,53,847* Equity Shares, which was available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price **Subject to finalisation of the Basis of Allotment*
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Investors were not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors could revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date

Term	Description
Self-Certified Syndicate Bank(s)/ SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, Link Intime India Private Limited
Share Escrow Agreement	Agreement dated March 2, 2021 entered into amongst the Promoter Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate were to accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the RIIs using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being HDFC Bank Limited
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement dated March 3, 2021 entered into among our Company, the Promoter Selling Shareholder, the BRLMs, the Syndicate Member and the Registrar to the Offer, in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Member	Intermediary (other than the BRLMs) registered with SEBI who is permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, Sharekhan Limited
Syndicate/members of the Syndicate	Together, the BRLMs and the Syndicate Member
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	The BRLMs and the Syndicate Member
Underwriting Agreement	The agreement dated March 18, 2021 entered into and among the Underwriters, our Company and the Promoter Selling Shareholder
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard

Term	Description
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the Retail Individual Investor, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the Retail Individual Investor to such UPI linked mobile application) to the Retail Individual Investor using the UPI Mechanism initiated by the Sponsor Bank to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism used by Retail Individual Investors to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
A/c	Account.
AED	United Arab Emirates Dirham, the official currency of the United Arab Emirates.
AGM	Annual general meeting.
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations.
Air Act	Air (Prevention and Control of Pollution) Act, 1981
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31.
CDSL	Central Depository Services (India) Limited.
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires.
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder, to the extent notified.
Competition Act	Competition Act, 2002.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate social responsibility.
CST	Central sales tax
Demat	Dematerialised
DEPB	Duty entitlement pass book
Depositories Act	Depositories Act, 1996.

Term	Description
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number.
DP ID	Depository Participant's Identification Number.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EEA	European Economic Area.
EGM	Extraordinary general meeting.
EPS	Earnings per share.
ERP	Enterprise Resource Planning.
EUR/ €	Euro
FDI	Foreign direct investment.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise.
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations.
Frost & Sullivan	Frost & Sullivan (India) Private Limited
Frost & Sullivan Report	Report titled "Independent Market Report on India Speciality Chemicals and Intermediates Market" dated November 30, 2020, and report titled "Utilities Supply Arrangement Benchmarking Analysis" dated February 24, 2021 issued by Frost & Sullivan
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GDP	Gross domestic product.
GIR Number	General index registration number.
GoI	Government of India.
GST	Goods and services tax.
Hazardous Waste Rules/HW Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HUF	Hindu undivided family.
I.T. Act	The Income Tax Act, 1961.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
IPO	Initial public offer.
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology.

Term	Description
LIBOR	London inter-bank offered rate
LLPIN	LLP Identification Number
MCA	Ministry of Corporate Affairs, Government of India.
MCLR	Marginal cost of fund-based lending rate
MICR	Magnetic ink character recognition.
MIDC	Maharashtra Industrial Development Corporation
Mn/ mn	Million.
MPCB	Maharashtra Pollution Control Board
MSEDCL	Maharashtra State Electricity Distribution Company Limited
Mutual Fund(s)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not applicable.
NACH	National Automated Clearing House.
NAV	Net asset value.
NEFT	National electronic fund transfer.
Non-Resident	A person resident outside India, as defined under FEMA.
NPCI	National payments corporation of India.
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number allotted under the I.T. Act.
R&D	Research and development
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RMB/CNY	Chinese Yuan
RONW	Return on net worth.
Rs./ Rupees/ ₹ / INR	Indian Rupees.
RTGS	Real time gross settlement.
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957

Term	Description
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a State of India.
STT	Securities Transaction Tax.
US GAAP	Generally Accepted Accounting Principles in the United States of America.
USA/ U.S. / US	The United States of America.
USD / US$	United States Dollars.
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 SEBI under, the SEBI VCF Regulations.
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
WOS	Wholly owned subsidiary

Technical and Industry Related Terms

Term	Description
KL	Kilolitres
KLPA	Kilolitres per annum
MT	Metric tonnes
MTPA	Metric tonnes per annum
TPA	Tonnes per annum

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

Certain Conventions

All references in this Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

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

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

Financial Data

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

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

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

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

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

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 27, 164 and 302, respectively, and elsewhere in this Prospectus, unless otherwise stated or context requires otherwise, have been calculated on the basis of our Restated Consolidated Financial Statements.

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from the report titled "Independent Market Report on India Speciality Chemicals and Intermediates Market" dated November 30, 2020 and the report titled "Utilities Supply Arrangement Benchmarking Analysis" dated February 24, 2021 by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan Report**") and publicly available information as well as other industry publications and sources. The Frost & Sullivan Report has been commissioned and paid for by our Company pursuant to an agreement dated October 16, 2020 entered into with Frost & Sullivan in relation to its appointment. The Frost & Sullivan Report is subject to the following disclaimer:

"*The independent market research studies "Independent Market report on India Speciality Chemical and Intermediates Market and "Utilities Supply Arrangement Benchmarking Analysis"(collectively, the "**Report**") have been prepared for the proposed initial public offering of equity shares (the "Offer") by Laxmi Organic Industries Limited (the "**Company**").*

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

Frost & Sullivan has prepared the Report in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. Frost & Sullivan believes that the Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, 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 the Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

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

Although we believe that the industry and market data used in this Prospectus is reliable, it has not been independently verified by us, the Promoter Selling Shareholder, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Prospectus is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors - We have commissioned and paid for an industry report from Frost & Sullivan, which has been used for industry related data in this Prospectus and such data has not been independently verified by us or the BRLMs."* on page 51.

In accordance with the SEBI ICDR Regulations, the section "*Basis for the Offer Price*" on page 125 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs have independently verified such information.

Currency and Units of Presentation

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

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

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

Time

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

Exchange Rates

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

The exchange rates of USD, EUR, AED and RMB/CNY into Indian Rupees for the periods indicated are provided below.

(in ₹)

Currency	Exchange Rate as on					
	January 31, 2021*	**December 31, 2020**	**September 30, 2020**	**March 31, 2020***	**March 31, 2019***	**March 31, 2018***
1 USD	72.95	73.05	73.80	75.39	69.17	65.04
1 EUR	88.30	89.79	86.57	83.05	77.70	80.62
1 AED	19.86	19.88	20.03	20.52	18.86	17.72
1 RMB/CNY	11.35	11.18	10.83	10.65	10.32	10.36

Source: www.rbi.org.in, www.xe.com and www.fbil.org.in

**In case March 31 of any of the respective years is a public holiday, the previous working day has been considered. Further, in case of January 31, 2021 which was a Sunday, the previous working day has been considered.*

FORWARD-LOOKING STATEMENTS

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

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

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

- Continuing impact of the outbreak of the COVID-19.
- Any disruption in production at, or shutdown of, our Manufacturing Facilities.
- Our abilities to maximize volumes at our Manufacturing Facilities and perform our long-term contracts.
- The success of our proposed fluorospecialty chemicals business and acceptance by our customers of our products.
- The timely commissioning of the Proposed Facility and proposed expansion of the SI Manufacturing Facility and our ability to manage such expansion.
- The success of our research and development efforts towards existing products and/or new products and ability to commercialize our new products.
- Fluctuations in foreign currency exchange rates, the cost of our raw materials or other purchases or a shortfall in the supply of our raw materials.
- Global prices of our products and our ability to respond to pricing pressure by our competitors
- Timely payments by our customers and our relationships with our customers.
- Our ability to manage our global scope of our operations including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate.
- Changes in regulatory requirements governing our products and the products of our customers and our ability to manage such changes.

For a further discussion of factors that could cause our actual results to differ, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 27, 164 and 302, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

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

SECTION II - SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this 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 Prospectus, including the sections titled "Risk Factors", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Financial Information", "Objects of the Offer" and "Outstanding Litigation and Other Material Developments" beginning on pages 27, 164, 131, 83, 65, 233, 100 and 340 respectively of this Prospectus.

Primary business of our Company

We are a leading manufacturer of Acetyl Intermediates and Specialty Intermediates with almost three decades of experience in large scale manufacturing of chemicals. We are currently among the largest manufacturers of ethyl acetate in India with a market share of approximately 30% of the Indian ethyl acetate market (source: Frost & Sullivan Report). We are the only manufacturer of diketene derivatives in India with a market share of approximately 55% of the Indian diketene derivatives market in terms of revenue in Fiscal 2020 and one of the largest portfolios of diketene products (source: Frost & Sullivan Report).

Summary of Industry (source: Frost & Sullivan Report)

The global chemicals market is valued at around USD 4,738 Bn. India accounts for ~3.5% market share in the global chemicals market. Specialty chemicals are low-volume and high-value products which are sold on the basis of their quality or utility, rather than composition. Thus, they may be used primarily as additives or to provide a specific attribute to the end product. The global Acetyl market is projected to grow at 6.4% growth rate over the next five years owing to strong demand from end use applications. The Acetyl market is valued at USD 13.4 Bn in 2019 which is expected to reach USD 18.3 Bn by the end of year 2024.

Name of Promoters

As on the date of this Prospectus, Yellow Stone Trust and Ravi Goenka are our Promoters. For further details, see "*Our Promoters and Promoter Group*" at page 221.

The Offer

Offer [1^]	46,153,846* Equity Shares for cash at price of ₹ 130.00 per Equity Share (including a premium of ` 128.00 per Equity Share), aggregating to 6,000.00* million
of which	
Fresh Issue [1^]	23,076,923* Equity Shares aggregating to ₹ 3,000.00* million
Offer for Sale [2]	23,076,923* Equity Shares by Yellow Stone Trust aggregating to ₹ 3,000.00* million

**Subject to finalization of the Basis of Allotment*

^ Our Company has, in consultation with the BRLMs, undertaken the Pre-IPO Placement aggregating to ₹ 2,000.00 million. The size of the Fresh Issue was reduced from up to ₹ 5,000.00 million to ₹ 3,000.00 million, consequently the size of the Offer was reduced from up to ₹ 8,000.00 million to ₹ 6,000.00 million.

1. *The Offer has been authorized by a resolution of our Board dated October 30, 2020 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated November 24, 2020.*
2. *The Equity Shares being offered by the Promoter Selling Shareholder are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Yellow Stone Trust has consented to participate in the Offer for Sale pursuant to its consent letter dated December 15, 2020 and has consented to offer such number of Equity Shares aggregating up to ₹ 3,000.00 million in the Offer for Sale.*

For further details, see "The Offer" and "Offer Structure" beginning on pages 65 and 363, respectively.

Objects of the Offer

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

Particulars	Amount which will be financed from Net Proceeds[(1)] *(in ₹ million)*
Investment in YFCPL for part-financing its capital expenditure requirements in relation to the setting up of the Proposed Facility	604.04
Investment in YFCPL for funding its working capital requirements of YFCPL	377.41
Funding capital expenditure requirements for expansion of our SI Manufacturing Facility	910.63
Funding working capital requirements of our Company	351.78
Purchase of plant and machinery for augmenting infrastructure development at our SI Manufacturing Facility	125.65
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and VLPL	1,793.14
General corporate purposes [(1)]	637.29
Total[(1)]	4,799.94

(1) *This amount has been derived by subtracting the Offer expenses apportioned to our Company (including the expenses for the Pre-IPO Placement from the aggregate of the gross proceeds of the Fresh Issue and proceeds from the Pre-IPO Placement. For details, see "Objects of the Offer- Offer Expenses" on page 121.*

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

Sr. No.	Name of Shareholder	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
Promoters			
1.	Yellow Stone Trust (through its trustee, Ravi Goenka)	199,781,907	83.04
2.	Ravi Goenka	156,375	0.06
Total (A)		**199,938,282**	**83.10**
Other members of the Promoter Group			
1.	Vasudeo Goenka	125	*Negligible*
2.	Rajeev Goenka	481,375	0.20
3.	Harshvardhan Goenka	125	*Negligible*
4.	Manisha Goenka	10,163,387	4.22
5.	Niharika Goenka	125	*Negligible*
6.	Brady Investments Private Limited	4,700,000	1.95
7.	Prashant Sarawgi HUF	56,310	0.02
Total (B)		**15,401,447**	**6.40**
Total of Promoters and Promoter Group (A) + (B)		**215,339,729**	**89.51**

For further details, see "*Capital Structure*" at page 83.

Summary of Restated Consolidated Financial Statements

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

(₹ in million, except per share data)

Particulars	As at and for the six months ended September 30, 2020	As at and for the Fiscal ended		
		March 31, 2020	March 31, 2019	March 31, 2018
Share capital	450.16	450.16	500.45	100.09
Net worth*	4,714.51	4,259.63	4,488.89	3,783.65
Revenue from operations	8,134.06	15,341.23	15,685.21	13,930.74
Profit attributable to owners of the Company^	454.84	700.75	723.91	756.95
Earnings per Equity Share (basic and diluted)$ ##	2.02	2.86	2.89	3.03
Net asset value (per Equity Share)**$##	20.99	18.97	17.98	15.16#
Total borrowings@	1,921.79	1,588.40	1,753.26	2,150.61

**'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
****** *Net Assets Value per equity share (₹): Net assets at the end of the respective periods divided by number equity shares outstanding at the end of respective periods. Net Assets means total assets minus total liabilities (excluding revaluation reserves).*
Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 45,016,395 equity shares of ₹ 10 each were sub-divided into 225,081,975 equity shares of face value of ₹ 2 each. All per share data has been calculated after giving effect to such sub-division. $ *For the purposes of calculation of net asset value per share and earnings per share, the per share data. Further, the earnings per share for September 30, 2020 is not annualised.*
@ Total borrowings consist of non-current borrowings (including current maturities of long term borrowings) and current borrowings as per our Restated Consolidated Financial Statements.
#Adjusted for bonus
^ Profit attributable to owners of the Company means the profit attributable to the shareholders of our Company (excluding non-controlling interest).

For further details, see "*Restated Consolidated Financial Statements*" beginning on page 233.

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

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

Summary of Outstanding Litigation

For a summary of outstanding litigation proceedings as on the date of this Prospectus, see "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations is provided below:

Type of Proceedings	Number of cases	Amount* (in ₹ million)
Cases against the Company		
Civil proceedings**	1	120.18#
Criminal proceedings	2	Not applicable
Tax proceedings	10	153.62
Total	**13**	**273.80**
Cases by the Company		
Civil proceedings**	3	120.18#
Total	**3**	**120.18**
Cases against our Directors		
Criminal proceedings	3	Not quantifiable
Total	3	Not quantifiable
Cases against our Promoters		
Criminal proceedings	1	Not quantifiable
Total	1	Not quantifiable

**To the extent quantifiable*
***In accordance with the Materiality Policy*
 # Our Company has provided for ₹ 195.80 million and ₹ 34.80 million in our Restated Consolidated Financial Statements in relation to the wheeling charges and losses; and transmission charges and losses, respectively, as on September 30, 2020.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Other Material Developments*" beginning on page 340.

Risk Factors

Specific attention of Investors is invited to the section "*Risk Factors*" on page 27. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

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

A summary table of our contingent liabilities as of September 30, 2020 as disclosed in the Restated Consolidated Financial Statements is set forth below:

Serial no.	Particulars	Amount *(₹ in million)*
(i)	**Contingent liabilities**	
	(a) Liabilities Disputed - Appeals filed with respect to:	
	(i) Disputed Excise/ Custom Matters in Appeals	7.51
	(ii) Income Tax on account of Disallowances / Additions and default of TDS	4.71
	(iii) VAT credits disallowed by the authorities against which the Company has preferred appeals.	4.29
	(b) Guarantees:	
	(i) Given on behalf of WOS to their Vendors	-
	(ii) Given on behalf of WOS to their Lenders	1,700.00
	(iii) Furnished by banks on behalf of the Company	45.08
	(c) Other money for which the Company is contingently liable (give details)	
	(i) Standby letters of credit issued by the Company's bankers to the bankers of WOS	321.02
(ii)	**Commitments**	
	(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	37.16
	(b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	1,835.72
(iii)	**Letters of Credit**	580.16

For further details, see "*Restated Consolidated Financial Statements- 32. Contingent Liabilities and Commitments (to the extent not provided for)*" at page 279.

Related Party Transactions

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

(₹ in million)

Nature of transaction	Six months ended September 30, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
Commission Paid to Non-Executive Directors	-	5.73	3.65	3.65
Guarantee commission received	0.43	-	-	-
Interest Received	23.64	28.98	8.67	7.75
Interest Paid	-	0.11	-	1.62
Miscellaneous Income	-	34.24	-	-
Rent, Commission and other expenses	-	0.67	0.63	0.59
Donation	-	-	31.40	1.60
Expenses incurred	2.65	4.84	4.40	3.78
Expenses Recovered	26.36	8.01	0.22	0.83
Sales	1161.88	1253.47	1680.09	1310.64
Purchases	298.66	280.51	504.09	127.14
Sitting fees	0.26	1.27	0.96	0.82
Salary	3.24	6.66	19.24	3.91
Directors Remuneration	33.38	41.45	106.11	80.49
Sales of Investments	-	-	17.73	56.60
Equity Investment	1.00	3.98	9.16	24.56
Loans and advance given	243.75	483.93	-	-

Nature of transaction	Six months ended September 30, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
Repayment of loans and advances given	325.00	22.00	-	-
Dividend Paid	-	15.25	13.06	10.44
Balance Payable	8.82	121.95	19.48	45.78
Balance receivable	1203.01	988.78	444.21	204.25
Corporate Guarantee	1700.00	-	116.55	106.64
Standby letters of credit issued by the Company's bankers to the bankers of WOS	321.02	327.93	300.90	282.94

For further details, see "*Restated Consolidated Financial Statements - Annexure 1 – Related Party Disclosures*" at page 289.

Financing Arrangements

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

Weighted average price at which the Equity Shares were acquired by each of our Promoters (including the Promoter Selling Shareholder) in the one year preceding the date of this Prospectus

Our individual Promoter, Ravi Goenka has not acquired any Equity Shares in the one year preceding the date of this Prospectus. The weighted average price at which Equity Shares were acquired by our Promoter Selling Shareholder, Yellow Stone Trust in the one year preceding the date of this Prospectus is:

Name	Number of Equity Shares acquired	Weighted average cost of acquisition per Equity Share (in ₹)#
Yellow Stone Trust (through its trustee, Ravi Goenka)	225,230	44.40

 # Pursuant to the certificate dated March 18, 2021 from Dayal and Lohia, Chartered Accountants. For further details, see "Capital Structure-Build-up of our Promoters' shareholding in our Company" on page 93.

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

The average cost of acquisition of equity shares by our Promoters (including the Promoter Selling Shareholder), as at the date of this Prospectus, is:

Name	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)#
Yellow Stone Trust (through its trustee, Ravi Goenka)	199,781,907	0.05
Ravi Goenka	156,375	Not ascertainable*

#Pursuant to the certificate dated March 18, 2021 from Dayal and Lohia, Chartered Accountants.
**The average cost of acquisition of equity shares by Ravi Goenka is not ascertainable since certain transfer deeds were not available. For further details, see "Capital Structure-Build-up of our Promoters' shareholding in our Company" on* page 93. *Also see, "Risk Factors – Certain documents filed by us with the RoC and RBI and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future and that that no dispute shall arise in the future in relation to these corporate records and documents." on page 41.*

Details of pre-Offer Placement

Our Company has, in consultation with the BRLMs, undertaken the Pre-IPO Placement by way of a private placement of 15,503,875 Equity Shares aggregating to ₹ 2,000.00 million. Accordingly, the size of the Fresh Issue was reduced from ₹ 5,000.00 million to ₹ 3,000.00 million and consequently, the size of the Offer was reduced from ₹ 8,000.00 million to ₹ 6,000.00 million. For further details in relation to the Pre-IPO Placement, including the names of the allottees, see "*Capital Structure*" on page 83.

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

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus.

Split or Consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Prospectus:

Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into five equity shares of face value of ₹ 2 each and accordingly 45,016,395 equity shares of ₹ 10 each were sub-divided into 225,081,975 equity shares of face value of ₹ 2 each.

SECTION III - RISK FACTORS

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

In making an investment decision, as prospective investors, you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved. You should consult your tax, financial, legal advisors about the particular consequences of investing in the Offer. The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Prospectus. This section should be read in conjunction with the sections titled "Industry Overview", "Our Business", "Restated Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on pages 131, 164, 233 and 302, respectively, of this Prospectus, as well as the other financial and statistical information contained in this Prospectus.

This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the considerations described in this section and elsewhere in this Prospectus. See "Forward Looking Statements" on page 19 of this Prospectus.

Unless otherwise expressly stated or the context otherwise requires, the financial information used in this section is derived from the Restated Consolidated Financial Statements. See "Restated Consolidated Financial Statements" on page 233.

INTERNAL RISKS

1. ***The continuing impact of the outbreak of the COVID-19 could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations.***

   The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had/have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be re-introduced in the future. Certain countries have reinstated lockdown conditions due to a "second wave" of the COVID-19 outbreak and the Central Government and State Governments may reinstate complete lockdown conditions or impose additional restrictions.

   A number of governments and organizations have revised GDP growth forecasts downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession. India's GDP is expected to contract by 10.3% in Fiscal 2021 – for the first time in four decades (source: Frost & Sullivan Report).

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

Many leading chemical manufacturers have reduced capital and operational expenditure to address the crisis and capacity utilizations had scaled down to 40%-60% capacity due to labour shortages and disruptions in the supply of raw material since March, however companies are slowly getting back to pre-Covid levels (source: Frost & Sullivan Report). Planned capacity expansions are expected to be delayed by a couple of quarters due to financial stress on investors. This factor adds further stress owing to non-availability of migrant labour, which requires the government to intervene, else will cause further delays (source: Frost & Sullivan Report).

Since certain of our products find application in pharmaceutical and agrochemical industries, such products were considered as "essential goods" and we were able to continue manufacturing operations during the lockdown. During the six months ended September 30, 2020 and Fiscal 2020, 33.98% and 35.70%, respectively, of our Company's revenue from sale of manufactured products and services (on a standalone basis) was from customers operating in the pharmaceuticals industry, while 13.97% and 14.44%, respectively, of our Company's revenue from sale of manufactured products and services (on a standalone basis) was from customers operating in the agrochemicals industry. For details of the contribution of the key industries our Company caters to, to our Company's total revenue from sale of manufactured products and services (on a standalone basis), see "*Our Business-Our Strengths- Diversified customer base across high growth industries and long-standing relationships with marquee customers*" on page 167.

While our AI Manufacturing Facility has remained fully operational, during the lockdown, the SI Manufacturing Facility was strategically shut down by us for a period of 15 days. Post April 15, 2020, the AI Manufacturing Facility and SI Manufacturing Facility have been fully operational. We have implemented greater safety procedures and requirements at our Manufacturing Facilities to meet the government's requirement on sanitisation, and social distancing. However, due to limited availability of labour, logistics and supply chain constraints, our Manufacturing Facilities were initially operating at sub-optimal capacity utilization until mid-May 2020. Subsequently, our capacity utilization has improved, raw material suppliers have resumed operations and supply and logistics have become more regular. The details of capacity utilisation at our Manufacturing Facilities during the period from March 1, 2020 to April 30, 2020, and the period from May 1, 2020 to December 31, 2020 are set forth below:

Manufacturing Facility	**Capacity utilisation from March 1, 2020 till April 30, 2020 (in %)**	**Capacity utilisation from May 1, 2020 till December 31, 2020 (in %)**
AI Manufacturing Facility	75.66	78.55
SI Manufacturing Facility	41.06	67.50

Note: Capacity utilization has been calculated on the basis of actual production in the relevant period divided by the installed production capacity available for the relevant period. For further details in connection with the installed and utilised capacity at our Manufacturing Facilities, please see "Our Business - Our Manufacturing Facilities and Distilleries" on page 176.

We have not terminated any lease deed or laid-off any employees and have not withheld any payments to employees as a consequence of the COVID-19. We have continued selling products to our customers and during the six months ended September 30, 2020, our revenue from operations on a consolidated basis was ₹ 8,134.06 million, including sales of products aggregating to ₹ 8,060.19 million.

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

- our ability to travel, interact with potential customers, pursue partnerships and other business transactions;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- our strategic projects/ proposed products becoming delayed, including the relocation of assets acquired from Miteni and the construction of the Proposed Facility;

- delays in orders or delivery of orders, which may negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

Further, we generate our revenues from different geographies due to exports. The effects of COVID-19 in India and the geographies we operate in may last for different duration or have different magnitude in different countries which may make it difficult for us to normalise the operations.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. There is currently substantial medical uncertainty regarding COVID-19 and while government-certified vaccines have been introduced, the efficacy of the vaccine and the timeline within which the same will be administered remains uncertain. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

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

2. ***A large part of our manufacturing facilities are located in one geographic area and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Mahad, Maharashtra or any disruption in production at, or shutdown of, our Manufacturing Facilities could have material adverse effect on our business and financial condition.***

As on the date of this Prospectus, our Manufacturing Facilities (including the captive power plant housed in the AI Manufacturing Facility) located in Mahad, Maharashtra within a distance of less than two kilometres of each other. Accordingly, a large part of our current manufacturing operations is largely concentrated in one geographic area. Further, we are in the process of acquiring AHPL and the manufacturing facility of YCPL, the wholly owned subsidiary of AHPL, is also located in Mahad, Maharashtra. We are also in the process of setting up the Proposed Facility for fluorospecialty chemicals, which will also be located in Lote Parshuram, Maharashtra. We also have two Distilleries located in Maharashtra.

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

In addition to the loss as a result of a fire or industrial accident, any shutdown of our Manufacturing Facilities could result in us being unable to meet with our commitments, result in modification of our business strategy, or require us to incur significant capital expenditure, which will have an adverse effect on our business, results of operation and financial condition. For instance, in the recent past heavy flooding resulted in loss of inventory and damage to certain plant and machinery at the SI Manufacturing Facility and temporary closure of the SI Manufacturing Facility. Furthermore, during the three calendar years preceding the date of this Prospectus, there have been two instances of temporary closure of the AI Manufacturing Facility due to power failure and three instances of temporary closure of the SI Manufacturing Facility due to the COVID pandemic and flooding. For details with respect to the flooding of the SI Manufacturing Facility during Fiscal 2020, see "*Restated Consolidated Financial Statements- Note 4.6. Other Financial Assets (Current)*" on page 265.

Disruptions in and around our Manufacturing Facilities could delay production or require us to shut down the Manufacturing Facilities. Any contravention of or non-compliance with the terms of various regulatory approvals applicable to the Manufacturing Facilities may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our Manufacturing Facilities, which may 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.

3. ***We are in the process of setting up the Proposed Facility for manufacturing of fluorospecialty chemicals. Such fluorospecialty chemicals, a new product line, may not be accepted by our customers and/or may not be profitable or achieve the profitability that justifies our investment, which may have an adverse impact on our prospects, growth, results of operations and financial condition.***

We intend to expand our product portfolio by including fluorospecialty chemicals, a new product line, and are in the process of setting up the Proposed Facility. The assets acquired from Miteni shall be relocated to the Proposed Facility. The fluorospecialty chemicals we propose to manufacture find application in *inter alia* the pharmaceuticals, agrochemical, aerospace and automobile industries. For further details, see "*Our Business- Our Strategies*" on page 171.

While we intend to leverage our relationships with customers of our Acetyl Intermediates and Specialty Intermediates, we cannot assure you that the fluorospecialty chemicals proposed to be manufactured by us will be accepted by our customers. Certain customers may require us to be specifically empanelled with them for the supply of the fluorospecialty chemicals and may undertake a detailed examination of our Proposed Facility and samples of our products prior to empanelling us as suppliers of the fluorospecialty chemicals. Our fluorospecialty chemicals may not meet the specification, requirements or standards of potential customers and we may not be able to compete with established fluorospecialty chemical manufacturers. Our proposed fluorospecialty chemicals business will involve complex chemistries and existing manufacturers of such products will be more experienced and have established relationships with customers in this space.

Further, there can be no assurance that we will be able to sell sufficient quantities of fluorospecialty chemicals at the prices required for it to be profitable or to achieve the profitability that justifies our investment. If the fluorospecialty chemicals proposed to be manufactured by us are not profitable, we may be required to incur additional expenditure to support it. The failure of the fluorospecialty chemical business to be profitable or to achieve the profitability that justifies our investment, may have an adverse impact on our prospects, growth, results of operations and financial condition.

4. ***Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.***

We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand our operations. Our growth strategies are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategies or growth plans or complete them within the budgeted cost and timelines.

We currently intend to *inter alia* expand our manufacturing capacity, expand and optimise our product offerings, develop our fluorospecialty chemicals business, increase our global footprint and augment sales in current geographies and continue our focus on research and development. For further details in relation to such strategies see "*Our Business- Our Strategies*" on page 171. Such strategies are subject to certain risks and uncertainties. For details, see risk factor no. 5, risk factor no. 11, risk factor no. 20, risk factor no. 21 in this section on pages 31, 35, 39 and 40.

Expansion of operations increases the challenges involved in *inter alia* making accurate assessments of the resources we require, acquiring new customers and increasing or maintaining contribution from existing customers, procuring raw materials at cheap cost, recruiting, training and retaining sufficient skilled personnel, maintaining high levels of customer satisfaction and adhering to expected performance and quality standards.

Pursuant to changes in market conditions, industry dynamics, technological improvements, changes in regulatory or trading policies or changes therein and other relevant factors, our growth strategies and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Additionally, there can be no assurance that debt or equity financing or our internal accruals will be available or sufficient to meet the funding of our growth plans in the future.

Further, as we grow, we may encounter additional challenges to our global network supply chain, internal processes, financing capabilities and regulatory compliance. Our existing operations, personnel, systems and internal controls may not be adequate to support our growth and may require us to make additional unanticipated investments in our infrastructure. To manage the future growth of our operations, we will be required to improve our administrative, operational and financial systems, procedures and controls, and expand, train and manage our growing employee base.

Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

5. ***If our research and development efforts do not succeed, we may not be able to improve our existing products and/or introduce new products, which could adversely affect our results of operations, growth and prospects. Further, any failure to commercialize our new products may adversely impact our business, operating results and future prospectus.***

We believe that our focus on product innovation and newer technologies through continuous development has been critical to the growth of our business and has improved our ability to customize our products for our customer. We review the performance of our existing products and the manufacturing processes and take necessary actions to improve functionality and/or efficiency and also identify potential products based on inputs from the business development teams. To accomplish this, we commit substantial effort, funds and other resources towards our research and development activities and have currently set- up two DSIR recognized research and development facilities (including the Rabale Innovation Centre) which is supported by our in-house research and development team. However, we cannot assure you that in the future, we will be able to successfully make timely and cost-effective enhancements and additions to our current research and development team and technological infrastructures. Further, in the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, we have incurred research and development expenditure on a consolidated basis aggregating to ₹40.92 million, ₹86.15 million ₹31.20 million and ₹84.30 million, respectively, including capital expenditure on a consolidated basis of ₹1.07 million, ₹11.28 million, ₹10.60 million and ₹58.44 million respectively, which represented 0.53%, 0.57%, 0.20% and 0.60% of our total expenses on a consolidated basis for the respective period/financial years. For further details, see "*Our Business-Research and Development*" on page 179.

While we have an existing track record of concept to commercialization, the process of developing new products takes a significant amount of time and investment from the stage of identification till the launch of the product. Research and development in the specialty chemicals industry may be expensive and prolonged and entails considerable uncertainty as to its returns and results. At any point in time due to either failure of a particular step or commercial unviability of our product, the research and development activities related to such product may be suspended or discontinued. Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. There can be no assurance that our expenditure on research and development activities will yield proportionate results of substantial commercial value or commercially viable products may be developed or launched as a result of such research and development activities.

Further, products developed as a result of our research and development activities will only be profitable if they can be commercialized. Before we can commercialize a new product, we must also simultaneously scale up our production to increase or change our production capacity. Our ability to successfully introduce new and innovative products also depends on our ability to adapt and invest in new technologies. There can be no assurance that we will be able to scale up our production or make timely investments in technological improvements in order to commercialize new products in a timely manner. Failure to predict and respond effectively to this competition could render our existing, new or candidate products less competitive in terms of price and quality. Delays or failure in developing new or commercially viable products could adversely affect our business, financial condition and results of operations.

6. *Any increase in the cost of our raw material or other purchases or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.*

The success of our operations depends on a variety of factors, including our ability to source raw materials at competitive prices. In the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, our cost of raw materials consumed constituted 46.41%, 52.64%, 60.18% and 51.12%, respectively, of our total expenses on a consolidated basis. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters, pandemics, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

We seek to source our raw materials from reputed suppliers and typically seek quotations from multiple suppliers. However, due to volatility in supply and prices, we do not typically enter into long-term agreements with our suppliers. We may be required to track the supply demand dynamics and regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices or foreign currency fluctuations. Acetic acid, a common raw material for our Acetyl Intermediates and Specialty Intermediates has historically witnessed significant volatility in prices. Further, availability of ethanol, which also a common raw material across the Acetyl Intermediates and Specialty Intermediates, is dependent on monsoons and consequently, depicts seasonality in availability as well as prices.

In the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, purchases of raw materials made by us from our top ten suppliers represented 75.59%, 80.84%, 67.51% and 77.98%, respectively, of our total expenses on a consolidated basis for such period/financial years. Given we procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price.

70.49% and 76.71% of our Company's total purchases on a standalone basis, for the six months ended September 30, 2020 and Fiscal 2020, was incurred on imported raw materials and coal and if there are any disruptions in the geographies from which we import raw materials and coal or our ability to import raw materials from such geographies may be adversely impacted and we may not be able to source such raw materials from local suppliers at similar commercial terms or quantities.

Further, there can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms. For additional details of the raw materials, see "*Our Business- Raw Materials*" on page 178.

Further, any increase in raw material prices may result in corresponding increases in our product costs. While we typically sell our products to our customers on short-term contracts, given that we have long term relationships with many of our customers, our ability to pass on increases in the costs of raw materials and other inputs to our customers may be limited. There may be a significant difference in the price of raw materials when raw materials are ordered and paid for and the prevailing price when the raw materials are received and we may not be able to pass on the difference in the prices to our customers. 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 in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial conditions.

7. ***A significant portion of our revenues and expenses and certain of our borrowings are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks which may adversely impact our results of operations.***

We have material exposure to foreign exchange related risks since a significant portion of our revenue from operations are in foreign currencies. We have customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Further, we have offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates). In the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our Company's revenue from exports of manufactured products contributed 23.17%, 24.24%, 27.80% and 22.18%, respectively, of our Company's revenue from operations on a standalone basis. We may, suffer losses on account of foreign currency fluctuations in our exports, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our consumers. Further, we import machinery from other countries and the prices of which will be impacted by the foreign currency exchange rate fluctuations.

Similarly, a significant portion of our expenses, including cost of imported raw material and expenditure on importing certain equipment, are denominated in currencies other than Indian Rupees. In the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, expenses in foreign currency accounted for 50.50%, 57.07%, 57.24% and 56.25%, respectively of our total expenses in such periods on a standalone basis.

Additionally, certain our borrowings are denominated in USD and Euro and accordingly, we are required to make principal and interest payments in USD and Euro. A depreciation of the Indian rupee in comparison to the USD and Euro, may result in an increase in our cost of borrowing, thereby adversely impacting our results of operations.

Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. While we selectively enter into hedging transactions to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

8. ***Our profitability largely depends upon the global prices of our products. There is no assurance that the prices may sustain or further increase in the future. Any significant fall in global prices of our products may have a material adverse effect on our business, results of operations and financial condition***

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers.

We leverage our global footprint to sell our products globally. In the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our Company's revenue from exports of manufactured products contributed 23.17%, 24.24%, 27.80% and 22.18%, respectively, of our Company's revenue from operations on a standalone basis. We have been the largest exporter of ethyl acetate from India in the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018 and one of the largest exporters of ethyl acetate to Europe from India since 2012 (source: Frost & Sullivan Report). Our sale of products in foreign jurisdictions is subject to the global prices of the products. Since we currently manufacture all our products at the Manufacturing Facilities and the Distilleries in Maharashtra, India, we may be unable to provide the products at competitive prices as against suppliers able to implement more cost-effective distribution facilities and local suppliers in such foreign jurisdictions. Accordingly, we may be more exposed to the volatility to the global prices of our products as against competitors whose manufacturing operations are less centralised.

We are the only manufacturer of diketene derivative products in India with a market share of approximately 55% of the Indian diketene market in terms of revenue in Fiscal 2020 and were one of the largest suppliers of diketene based specialty intermediates in Europe from India in calendar year 2019 (source: Frost & Sullivan Report). Our competitors in the Indian acetyl market comprise of foreign suppliers and local players, while our competitors in the Indian diketene derivatives market are foreign suppliers. Accordingly, even our sales in India are subject to global pricing pressures. The foreign suppliers of our products may be able to supply our products at lower prices than us due to *inter alia* greater financial resources, larger scale of operations and export benefits provided in their respective countries.

Our inability to price our products at the global prices, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition. There is no assurance that the prices may sustain or further increase in the future. Any significant fall in global prices of our products may have a material adverse effect on our business, results of operations and financial condition.

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

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

The CBI and ED (collectively, the "**Agencies**") have initiated criminal proceedings against, *inter-alia*, Vijay Mallya, the Kingfisher Airlines Limited and officers of IDBI Bank Limited including, our Independent Director, O.V. Bundellu, who was serving as the deputy managing director of IDBI Bank Limited from March, 2006 to January, 2010 (collectively, the "**Accused**") on the grounds that the Accused have allegedly violated the provisions of the Prevention of Money Laundering Act, 2002, in the process of IDBI Bank Limited granting term loan facilities amounting to ₹ 7,500 million to Kingfisher Airlines Limited. These matters are currently pending.

Further, the Deputy Director Industrial Safety and Health has filed a criminal proceeding against one of our Promoters and Directors, Ravi Goenka (in his capacity as the occupier under the Factories Act, 1948 of the SI Manufacturing Facility) alleging contravention of Sections 59 and 65 of the Factories Act, 1948, before the court of the Chief Judicial Magistrate, Raigad at Alibaug. We are awaiting receipt of summons in this proceeding.

The summary of outstanding litigation in relation to our Company, our Promoters and Directors as on the date of this Prospectus as disclosed in the chapter "*Outstanding Litigation and Material Developments*" on page 340 have been provided below:

Type of Proceedings	Number of cases	Amount* (in ₹ million)
Cases against the Company		
Civil proceedings**	1	120.18#
Criminal proceedings	2	Not applicable
Tax proceedings	10	153.62
Total	**13**	**273.80**
Cases by the Company		
Civil proceedings**	3	120.18#
Total	**3**	**120.18**
Cases against our Directors		
Criminal proceedings	3	Not quantifiable
Total	3	Not quantifiable

Type of Proceedings	Number of cases	Amount* (in ₹ million)
Cases against our Promoters		
Criminal proceedings	1	Not quantifiable
Total	**1**	Not quantifiable

**To the extent quantifiable*
***In accordance with the Materiality Policy*
 # Our Company has provided for ₹ 195.80 million and ₹ 34.80 million in our Restated Consolidated Financial Statements in relation to the wheeling charges and losses; and transmission charges and losses, respectively, as on September 30, 2020.

Adverse outcome(s) in such proceedings could have a material adverse impact on the Company's ability to carry out its operations, its reputation, business prospects and financial condition.

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

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. As at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, our trade receivables on a consolidated basis were ₹ 3,342.96 million, ₹ 3,593.67 million, ₹ 3,261.80 million and ₹ 3,241.82 million, respectively. Trade receivables written off, on a consolidated basis, as a percentage of the total trade receivables for the six month period ended September 30, 2020 and the Fiscals 2020, 2019 and 2018 were 0.00%, 0.05%, 0.04% and 0.21% respectively. As on September 30, 2020, trade receivables due for over a year, on a consolidated basis aggregated to ₹4.36 million. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

11. ***The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.***

We sell our products in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Further, we have offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates) as part of our global footprint. We have arrangements with third parties for usage of storage tanks in *inter alia* Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products.

Our revenue from exports has been increasing steadily. In the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our Company's revenue from exports of manufactured products contributed 23.17%, 24.24%, 27.80% and 22.18%, respectively, of our Company's revenue from operations on a standalone basis. Our Company's revenue from exports on a standalone basis have grown at a CAGR of 5.89% between Fiscal 2018 and the six months ended September 30, 2020 (annualized). We intend to increase our global footprint and augment our sales in existing geographies.

Consequently, our business is accordingly subject to diverse and dynamic economic, regulatory, social and political conditions in the jurisdictions in which we operate. Operating in international markets exposes us to a number of risks globally, including, without limitation:

- compliance with local laws and regulations (including imposition of non-tariff barriers), which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;
- difficulties with local operating and market conditions, particularly regarding customs, taxation and labour;
- currency exchange rate fluctuations

- difficulties in organizing a skilled workforce for efficient operations including processing visas or entry permits quickly and repeatedly for our personnel; and
- economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries.

To the extent that our operations are affected by unexpected and adverse economic, regulatory and, social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

12. ***We rely on third-party transportation and logistics service providers for the storage and procurement of raw materials and the storage and supply of our products. Significant increases in the charges of these entities could adversely affect our business, results of operations and financial conditions. Further, disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.***

We believe that our success depends on the sustained supply and transportation of the various raw materials required by our Manufacturing Facilities and Distilleries and our products from the Manufacturing Facilities and Distilleries to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We do not own any trucks or ships, and therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. Freight and forwarding charges represented 1.84%, 1.71%, 2.10% and 1.93% of our revenue from operations on a consolidated basis for the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, respectively. We are subject to the risk of increases in freight costs since the pricing for freight is negotiated on a shipment basis. If we cannot fully offset any significant increases in freight costs, through increases in the prices for our products, we may experience lower margins. This would have an adverse effect on our business, results of operations and financial conditions.

We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products. Furthermore, in the event that our selected third party transportation and logistics providers are unable to perform their services, given the expertise required for handling our finished products and raw materials including due to their hazardous nature, there is no guarantee that suitable alternative transportation services will be secured at all or at favourable rates.

Even though our Manufacturing Facilities and Distilleries are strategically located, we cannot guarantee that there will not be any delay in transportation and delivery of our products to our customers particularly in light of the COVID-19 outbreak. Weather-related problems, strikes, or other events could impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials to us. Our raw materials and finished products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Such occurrences may in turn delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could materially and adversely affect our business, results of operations and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers.

Separately, we have arrangements with third parties for usage of tanks for storage of raw materials in *inter alia* Mumbai, Maharashtra and storage of our finished products in Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy). If these arrangements are terminated or we are unable to utilise such tanks for any reason, we may not be able to identify substitute operators of tanks or warehouses for storage of our finished products and raw materials. Given that our manufacturing operations are currently concentrated in Maharashtra, the failure to store our raw materials and products in strategic locations may result in a disruption of our supply chain. Such disruption in our supply chain may have a material adverse effect our business, results of operations and cash flows.

13. ***Any adverse change in regulatory requirements governing our products and the products of our customers, may adversely impact our business, prospects, results of operations and financial condition.***

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the laws governing the manufacturing 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 and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with such changes or additional regulatory requirements.

If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Further, changes in regulatory requirements, may result in our customers being unable to utilise our products for manufacturing their respective products. There is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, prospects, results of operations and financial condition.

14. ***Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business and results of operations.***

Our revenues and profits are dependent on our ability to optimise and maximise our capacity utilisation. For the nine months ended December 31, 2020 and Fiscals 2020, 2019 and 2018, the capacity utilisation of the AI Manufacturing Facility was 77.56%, 83.57%, 80.00% and 64.44%, while the capacity utilisation of the SI Manufacturing Facility was 62.82%, 60.14%, 55.02% and 58.00%. Further, the Jarandeshwar Distillery had a utilisation of 24.23%, 48.35%, 45.81% and 11.75% during the nine months ended December 31, 2020 and Fiscals 2020, 2019, and 2018, respectively, while the Panchganga Distillery had a utilisation of 32.08%, 25.54%, 103.41% and 56.35% during the same period/ financial year. We are also in the process of setting up the Proposed Facility, expanding the SI Manufacturing Facility and acquiring YCPL. If we are unable to ensure optimal utilisation of our manufacturing capacities, including the manufacturing capacities of the Proposed Facility and the YCPL Facility, we may be unable to produce our products in the required quantities and enjoy benefits of economies of scale, which could have an adverse effect on our business and results of operations.

15. ***Our Registered Office, Manufacturing Facilities, Proposed Facility, Distilleries and most of our offices are located on lease or licensed premises. Our failure to continue to use such premises may have an adverse impact on our operations.***

Our Manufacturing Facilities are located in Mahad, Maharashtra on premises held by us on 95-year leases from MIDC. Our Registered Office and Captive Power Plant are located within the AI Manufacturing Facility. The Jarandeshwar Distillery is located on leased premises and is currently utilised by us on a build, operate and transfer basis, while we utilise the Panchganga Distillery on a leasehold basis. Most of our other offices and our renewable power facilities are located on leased or licensed premises. Additionally, we have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai, Rotterdam (Netherlands), Genoa (Italy) and Antwerp (Italy). Further, the premises underlying the Proposed Facility are currently licensed to us by MIDC for a period of three years. For further details, see "*Our Business – Properties*" on page 181.

While the leasehold or licensing arrangements are typically entered into on a long-term basis, these agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such arrangements could adversely affect our operations. We may enter into disputes with the relevant lessor/licensor, which may adversely impact our ability to continue to use such premises. For instance, Jarandeshwar Co-operative Sugar Factory Limited (through its administrator), has filed a complaint against our Company before the Civil Court Junior Division, Koregaon in relation to the Jarandeshwar Distillery. For further details, see "*Outstanding Litigation and Material Developments*" on page 340.

There can be no assurance that we will be able to retain or renew such arrangements on same or similar terms, or that we will find alternate locations for the existing offices on terms favourable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

16. ***Our business may expose us to potential product liability claims and recalls, which could adversely affect our results of operation, goodwill and the marketability of our products.***

We may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. 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. Our products make up a small proportion of the finished products manufactured by our customers. As such, any defect in our products would result in a disproportionately large amount of finished products being defective.

While we maintain product liability insurance, product liability claims, regardless of their merits or the ultimate success of the defense against them, may be expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Further, customers may cease purchasing products from us. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

17. ***We derive a majority of our income from the Acetyl Intermediates and our business, results of operations and financial condition may be adversely affected if our Acetyl Intermediates do not continue to perform as expected or if competitors gain wider market acceptance.***

Our products are currently divided into two broad categories, namely the Acetyl Intermediates and the Specialty Intermediates. The Acetyl Intermediates include ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents, while the Specialty Intermediates include ketene and diketene derivatives and certain other specialty chemicals. During the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, the Acetyl Intermediates manufactured by us (including exports to Laxmi Netherlands) contributed 55.37%, 59.33%, 62.24% and 49.22%, respectively, of our total revenue from sale of manufactured products and services on a standalone basis.

The demand for our Acetyl Intermediates may decline due to the emergence or increase in competition, as the case may be, regulatory action, pricing pressures and/or fluctuations of demand and supply. If our competitors are able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer their products at lower price, we may be unable to adequately react by reducing our gross margin to retain customers by offering our products at lower prices or losing customers to competitors offering similar products at prices lower than us.

If our Acetyl Intermediates do not continue to perform as expected or if competitor(s) are able to achieve greater market acceptance, our business, results of operations and financial condition may be adversely impacted.

18. ***Failure to adhere to the terms of the contracts entered into by us with our customers and suppliers, may have an adverse effect on our, business, results of operations and financial condition.***

We typically enter into short-term contracts with our customers and suppliers which *inter alia* stipulate minimum purchase commitments during the term of such agreements. If we fail to purchase the requisite quantum of raw materials from suppliers or supply the requisite quantum of products to our customers under such agreements, for any reason, including disruption of manufacturing operations and natural or man-made disasters, our customers or suppliers may consider us to be in breach of such contracts and initiate action against us. We may be unable to continue purchasing raw materials from such suppliers or selling our products to such customers, which may result in an adverse effect on our business, results of operations and financial conditions.

Further, under certain of the agreements entered into by us with customers, the customers have specified certain stipulations and guidelines with respect to the products purchased by them under such agreements. Our failure to adhere to such stipulations and guidelines may result in our customers refusing to continue to purchase the products manufactured by us, which may result in an adverse effect on our business, results of operations and financial conditions.

Further, under certain agreements we manufacture product(s) for customers on an exclusive basis. Irrespective of whether new applications and greater demand emerges for such products, we may be constrained from selling such products. Further, the terms of such products stipulate the price ranges of such products. Our failure to supply such products at the prices agreed to may result in us being in breach of such contractual arrangements, which may have an adverse effect on our business, results of operations and financial conditions.

19. ***We need significant and continuous power, water, fuel and steam and any disruption to power, water, fuel or steam sources, including our power facilities could increase our production costs and adversely affect our results of operations.***

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

We have a co-generation power plant (the "**Captive Power Plant**"), two windmills located in Maharashtra and Karnataka and a hydro-electric power project at Yedgaon (collectively, the "**Power Facilities**"). During the nine months ended December 31, 2020, 53.04% of our Manufacturing Facilities' power consumption was met from the Power Facilities. Our Manufacturing Facilities were dependent on the grid for 46.96% of our power consumption during the nine months ended December 31, 2020. Our power and fuel expenses accounted for 5.82%, 6.64%, 6.58% and 6.42%, respectively, of our total expenses on a consolidated basis in the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018. If we fail to continue to utilise the Power Facilities or if any or all of the Power Facilities are disrupted, we may have to incur additional costs towards sourcing additional power and steam, which may result in an increase in our production costs and adversely affect our results of operations.

We currently source our water requirements from MIDC. There is no assurance that we will at all times receive a continued supply of water on the scale required by us or at all, which may have an adverse impact on our operations.

20. ***If there are delays in transfer of the necessary approvals in relation to the Proposed Facility or if the costs of setting up and the possible time or cost overruns related to the Proposed Facility, expansion of the SI Manufacturing Facility or the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.***

We are in the process of setting up the Proposed Facility, which will be housed in Yellowstone Fine Chemicals Private Limited ("**YFCP**L"), our wholly owned Subsidiary and will be utilised for the manufacturing of fluorospecialty chemicals. Further, we also intend to expand the capacity at the SI Manufacturing Facility and augment infrastructural development of the SI Manufacturing Facility. For details, see "*Objects of the Offer*" on page 100. We intend to utilize portions of the Net Proceeds for financing the costs of setting up and commissioning of such Proposed Facility, expansion of the SI Manufacturing Facility purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility.

The license for the premises underlying the Proposed Facility is currently held in the name of our Company and we have filed an application with MIDC on November 11, 2020 for the transfer of such license from our Company to YFCPL, which is pending as on the date of this Prospectus. There is no assurance that our application for assigning the license agreement for the premises underlying the Proposed Facility from our Company to YFCPL will be approved in a timely manner or at all. Further, environmental clearance obtained by us in relation to the Proposed Facility is currently in the name of our Company, however we have filed an application for the transfer such environmental clearance from our Company to YFCPL. There is no assurance that our application for transfer of the environmental clearance will be approved in a timely manner. For details of approvals in relation to the Proposed Facility, see "*Objects of the Offer*" on page 100. Additionally, delays in obtaining approvals in relation to the commissioning and commencement of operations of the Proposed Facility and the expansion of our SI Manufacturing Facility will result in further time and cost overruns.

The Proposed Facility and expansion of the SI Manufacturing Facility are expected is expected to commence commercial operations by last quarter of Fiscal 2022 (March 2022) and November 2021, respectively. The completion of the setting up of the Proposed Facility or expansion of the SI Manufacturing Facility is dependent on the performance of external agencies, which are responsible for *inter alia* construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns.

Certain plant, machinery and equipment purchased from Miteni are to be relocated to the Proposed Facility from Italy. Any delay in the relocation of such assets or damage to the assets acquired due to *inter alia* defaults by transportation agencies, may further result in cost and time overruns in the commissioning of the Proposed Facility. While VLPL acquired the assets from Miteni in 2019, we have been unable to complete the relocation of such assets from Italy till date and make progress in the setting up of the Proposed Facility largely due to the COVID pandemic and the related logistics and transportation difficulties.

The estimated costs for setting up the Proposed Facility and expanding the SI Manufacturing Facility are based on management estimates and current conditions and are subject to change, owing to prospective changes in external circumstances, costs, and other financial conditions. There could be delays in setting up the Proposed Facility and/or expanding the SI Manufacturing Facility as a result of, among other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors' or external agencies' failure to perform, exchange rate fluctuations, unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, EPC and non-EPC costs, cost escalation and/or force majeure events (including the continuing impact of the COVID-19 pandemic), any of which could give rise to cost overruns and delays in our implementation schedules.

If our actual capital expenditures on setting up the Proposed Facility and/or expanding the SI Manufacturing Facility significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion or commissioning of our plants and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

21. ***We have not yet placed orders for some of the machinery and equipment to be procured in relation to the Proposed Facility, the expansion of the SI Manufacturing Facility and for the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.***

We intend to utilize portions of the Net Proceeds for (i) part-financing the setting up of the Proposed Facility; (ii) expansion of the SI Manufacturing Facility ("**Proposed Expansion**"); and (iii) purchase of plant and machinery for augmenting the infrastructure development of our SI Manufacturing Facility ("**SI Infrastructural Augmentation**"). We have acquired certain plant, machinery and equipment from Miteni in Italy, which are to be relocated to the Proposed Facility. While we have procured quotations or issued purchase orders from/to various vendors for most of the remaining plant, machinery and equipment for the Proposed Facility and for the plant, machinery and equipment for the expansion of the SI Manufacturing Facility, we have not placed any firm orders for some of the plant, machinery and equipment. Further, we have not placed any orders for the plant and machinery required for SI Infrastructural Augmentation. We have placed orders for approximately 56% and 80% of the plant and machinery required for the Proposed Expansion and the Proposed Facility, respectively, in terms of the aggregate estimated cost of plant and machinery for the Proposed Expansion (net of contingency) and the Proposed Facility (net of contingency), respectively. For details in respect of the foregoing, see "*Objects of the Offer*" on page 100. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, 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 and technological changes.

In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns in setting up of the Proposed Facility, expanding the capacity of the SI Manufacturing Facility and completing the SI Infrastructural Augmentation. Further, if we are unable to procure machinery and equipment from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the machinery and equipment which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

22. ***Certain documents filed by us with the RoC and RBI and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future and that that no dispute shall arise in the future in relation to these corporate records and documents.***

Our Company is unable to trace certain corporate records and regulatory filings made by us. These include corporate records and regulatory filings made in relation to certain allotments by our Company and certain transfers involving Ravi Goenka, our individual Promoter.

Due to the unavailability of such corporate records (including resolutions) and regulatory filings we are unable to ascertain the nature of allotment (for allotments on February 12, 1990, March 6, 1990, September 20, 1990, March 27, 1991, June 19, 1991, November 27, 1991, March 17, 1992, April 22, 1992, February 2, 1993 and September 15, 1994) and the price at which the allotment was made (for the allotment made on March 6, 1990). Further, the names of allottees for some of these issuances have been determined on the basis of the register of members maintained by our Company and issue price for certain allotments have been ascertained from the audited balance sheet of the respective financial years. For details of such allotments, see "*Capital Structure- Notes to the Capital Structure*" on page 83. After conducting a detailed search of our records, we have, through a practicing company secretary, conducted a search at the office of the RoC to trace records and filings available with them. However, such practicing company secretary was unable to locate these documents at the office of the RoC.

Further, due to the unavailability of transfer deeds, we have been unable to ascertain the acquisition/transfer price and nature of consideration for the transfer of equity shares of our Company to Ravi Goenka by Bharat Naik and Purnima Naik on March 17, 1992, Sudhir Lohia on December 2, 1992, Ramtech Industries Private Limited on September 1, 1995, Kailash C. Sharma on September 19, 2007 and Ridha Sharma on September 19, 2007. For details of such transfers, see "*Capital Structure-Notes to the Capital Structure*" on page 83. While we have attempted to procure the relevant transfer deeds and information from such transferors, as on the date of this Prospectus, we have not been able to trace copies of such transfer deeds or information in relation to such transfers. Accordingly, the cost of acquisition of equity shares of our Company by our individual Promoter, Ravi Goenka is non-ascertainable.

Further, we were also unable to trace certain filings made with the RBI pursuant to allotment of shares to certain NRI in 1991. We cannot assure you that the regulatory filings or corporate records which we have not been able to locate will be available in the future or that the information gathered in this regard is correct. Further, we cannot assure you that the regulatory filings were done at all or in timely manner and that we shall not be subject to penalties on this account. Additionally, while no disputes have arisen in connection with these corporate records and other documents as on the date of this Prospectus, we cannot assure you that no dispute shall arise in the future.

23. ***Our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations.***

We are in the process of expanding our manufacturing capabilities for the Acetyl Intermediates by acquiring a 100% stake in AHPL from Ravi Goenka, one of our Promoters and Chairman and Managing Director and Harshvardhan Goenka, a member of our Promoter Group and Executive Director – Business development and Strategy. AHPL, through its wholly owned Subsidiary, Yellowstone Chemicals Private Limited ("**YCPL**"), is engaged in the manufacturing of acetaldehyde and ethyl acetate. Further, we have acquired certain assets from Miteni in Italy. For further details, see "*History and Certain Corporate Matters*" on page 187.

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

24. ***We do not have long-term agreements with most of our customers. Our inability to accurately forecast demand for our products or manage our inventory or working capital requirements may have an adverse effect on our business, results of operations and financial condition.***

We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability. We maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our Manufacturing Facilities and Distilleries as well as at certain storage tanks. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to *inter alia* the international scale of our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all.

We do not have long-term agreements with most of our customers. Customers with whom we do not have long-term agreements may choose to cease sourcing our products. We cannot assure that we will receive repeat orders from our customers in the future. Further, absence of any contractual exclusivity with respect to our business arrangements with such customers poses a threat on our ability to be able to continue to supply our products to these customers in the future. If we overestimate demand, we may incur costs to purchase more raw materials and manufacture more products than required.

Similarly, if we underestimate demand, we may manufacture fewer quantities of products than required, which could result in the loss of business. We may fail to maintain the requisite inventory in the storage tanks abroad, which may adversely impact our ability to deliver products to customers in a timely manner which may lead to loss of revenues or customers.

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

25. ***We have contingent liabilities and commitments which have not been provided for in our balance sheet. In the event that any of our contingent liabilities materialises, our business, financial condition and results of operations may be adversely affected.***

As on September 30, 2020, we had certain contingent liabilities on a consolidated basis in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" as disclosed in the Restated Consolidated Financial Statements are set forth below:

Serial no.	Particulars	Amount (₹ in million)
(i)	**Contingent liabilities**	
	(a) Liabilities Disputed – Appeals filed with respect to:	
	(i) Disputed Excise/ Custom Matters in Appeals	7.51
	(ii) Income Tax on account of Disallowances / Additions and default of TDS	4.71

Serial no.	Particulars	Amount (₹ in million)
	(iii) VAT credits disallowed by the authorities against which the company has preferred appeals.	4.29
	(b) Guarantees:	
	(i) Given on behalf of WOS to their vendors	-
	(ii) Given on behalf of WOS to their lenders	1,700.00
	(iii) Furnished by banks on behalf of the Company	45.08
	(c) Other money for which the Company is contingently liable (give details)	
	(i) Standby letters of credit issued by the Company's bankers to the bankers of WOS	321.02
(ii)	**Commitments**	
	(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	37.16
	(b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	1,835.72
(iii)	**Letters of Credit**	580.16

For details, see "*Restated Consolidated Financial Statements- 32. Contingent liabilities and commitments (to the extent not provided for)*" on page 279.

Any or all of these contingent liabilities may become actual liabilities.

In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

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

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our Manufacturing Facilities and Distilleries. For details of material approvals relating to the business and operations of our Company and our Material Subsidiary, see "*Government and Other Approvals*" on page 347.

A majority of these approvals are granted for a limited duration and require timely renewal. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. For details of pending material approvals of our Company and Material Subsidiary, see "*Government and Other Approvals*" on page 347. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. We are also required to make payments pursuant to statutory requirements. In the recent past, there were certain delays by our Company in making such payments. There can be no assurance that such delays will not occur in the future and that the relevant authority will not initiate actions against us for such delays.

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

27. ***Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.***

As of January 31, 2021, our total outstanding borrowings on a consolidated basis was ₹ 2,447.46 million. For further details, please see "*Financial Indebtedness*" on 337. Our indebtedness could have several important consequences, including but not limited to the following:

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

Our financing agreements governing our borrowings include conditions and restrictive covenants that require us to obtain consents, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain transactions. Such restrictive covenants, among other things, require our Company to obtain the approval of the relevant lender for inter alia making any amendments in the Memorandum of Association or Articles of Association, investing by way of share capital or lending or advancing funds to or placing deposits with other concern (with the exception of normal trade credit or security deposit in the ordinary course of business), repaying or paying any principal or interest on any loans availed by our Company, changing our Company's constitution/composition, undertaking or permitting any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with our Company's creditors or shareholders and/or effecting any scheme of amalgamation or reconstruction or dissolution or reconstitution including creating any subsidiary or permitting any company to become our Company's subsidiary. While we have obtained necessary consents from our lenders as required under our loan/financing documentation, for undertaking the Offer and related actions, we cannot assure you that we will be able to obtain such approvals in the future to undertake such activities as and when required or to comply with such covenants or other covenants in the future.

Further, we are required to create charge over our present and future current assets and certain of our movable and immovable fixed assets and furnish guarantees from Ravi Goenka, our individual Promoter and certain members of our Promoter Group. Further, our financing agreements also stipulate *inter alia* financial covenants required to be maintained by us during the duration of the facilities. However, in the six month period ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, there was a delay of five days in the repayment of a loan by our Company. While no action has been taken by the lender in relation to such delay, there can be no assurance that such delays will not occur in the future or that lenders will not take any action against us. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to a termination of one or more of our credit facilities or incur penalties, acceleration of payments under such credit facilities and enforcement of the security created, which may adversely affect our business and financial condition.

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

28. ***A portion of the Net Proceeds may be utilized for repayment or pre-payment of a loan availed by our Company from Axis Finance Limited, which is an affiliate of Axis Capital Limited, one of the BRLMs.***

We propose to repay or pre-pay a loan availed by our Company from Axis Finance Limited from the Net Proceeds. Axis Finance Limited is an affiliate of Axis Capital Limited, one of our Book Running Lead Managers and is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. The loan sanctioned to our Company by Axis Finance Limited was done as part of their lending activities in the ordinary course of business and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. The Board of Directors of our Company has chosen the loans and facilities to be repaid/prepaid based on commercial considerations. For further details see "*Objects of the Offer*" on page 100. However, there can be no assurance that the repayment/prepayment of such loans from the Net Proceeds to an affiliate of one of the Book Running Lead Managers will not be perceived as a current or potential conflict of interest.

29. ***We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Manufacturing Facilities and Distilleries for the performance of non-core tasks. Further, contractors and contract labourers will also be engaged in the construction of the Proposed Facility and the expansion of the SI Manufacturing Facility. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

30. ***We are in the process of completing the acquisition of Yellowstone Chemicals Private Limited, a wholly owned subsidiary of Acetyls Holding Private Limited. However, we may not be able to complete such acquisition in a timely manner and such acquisition may not prove to be profitable or achieve the profitability that justifies our investment, which may adversely impact our prospects, growth and results of operations.***

YCPL is engaged in the manufacturing of Ethyl Acetate and Acetaldehyde and is accordingly currently engaged in the similar line of business as our Company. As on the date of this Prospectus, YCPL is a wholly owned subsidiary of ACPL, which is 100% held by Ravi Goenka and Harshvardhan Goenka.

We have entered into a share purchase agreement dated December 9, 2020 with Ravi Goenka, Harshvardhan Goenka, YCPL and AHPL, for the YCPL Acquisition (the "**AHPL SPA**"). The purchase consideration payable by our Company for the acquisition (the "**Purchase Consideration**") will be the lower of ₹400.10 million (based on the valuation report dated November 26, 2020 issued by a registered valuer) and the amount that will be derived based on the pre-decided valuation of 10x trailing twelve-month P/E multiple for the period ending September 30, 2021 of AHPL (on the basis of audited consolidated financials of AHPL and the YCPL as on September 30, 2021). In accordance with the AHPL SPA, we have on December 9, 2020 made an aggregate payment of ₹200.00 million, from our internal accruals, to Ravi Goenka and Harshvardhan Goenka towards the Purchase Consideration. Pursuant to the AHPL SPA, Harshvardhan Goenka and Ravi Goenka have undertaken that, until the completion of the transaction contemplated under the AHPL SPA, they shall not and they shall ensure that YCPL does not undertake any business competing with or solicit any business similar to the business of our Company, except on behalf of our Companyundertake any business (directly and indirectly) which competes in any manner with the business undertaken by the Company. The valuation of the YCPL Acquisition is based on historical data and certain assumptions and we cannot assure you that the Purchase Consideration will be indicative of the future earning potential of YCPL.

Further, we cannot assure you that we will be able to complete the YCPL Acquisition in a timely manner or at all. The completion of the YCPL Acquisition is subject to certain conditions precedent including the receipt of consents from lenders, as applicable, YCPL ensuring that at least 25% of its total annual sales are through exports and YCPL continuing to produce a minimum of 2,500 MT of ethyl acetate and acetaldehyde on a month to month basis or 30,000 MT annualized. Our Company shall have the right to terminate the AHPL SPA, in the event the conditions precedent are not satisfied by December 31, 2021. For further details, see "*History and Certain Corporate Matters*" on page 187.

Additionally, once the acquisition is completed, we cannot assure you that the acquisition will prove to be profitable or would enable us to achieve profitability which justifies the investment. The foregoing may have an adverse impact on our prospectus, growth and results of operations.

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

Certain of the raw materials such as acetic acid and methanol that we use as well as certain of our finished goods such as acetic anhydride are corrosive and/or flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

In addition to the loss as a result of such fire or industrial accident, any shutdown of our Manufacturing Facilities and/or Distilleries 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.

Further, any fire or industrial accident, any shutdown of any of our Manufacturing Facilities and/or Distilleries or any environmental damages could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations.

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

32. ***We are subject to safety, health, environmental, labour, workplace and related laws and regulations and any failure to comply with any current or future laws or regulations could have a material adverse effect on our business, financial condition and results of operations.***

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations.

Manufacturing sites by nature may be hazardous. Our Manufacturing Facilities and Distilleries often put our employees and others in close proximity with hazardous chemical and manufacturing processes. These processes may result in *inter alia* air emissions, waste water discharges, the use, handling and disposal of hazardous materials. As a result, we are subject to a variety of health and safety laws and regulations dealing with occupational health and safety. Unsafe work sites have the potential to increase employee turnover and raise our operating costs. Further, any accidents at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment that could result in the suspension of operations. Any of the foregoing could subject us to litigation, which may subject us to penalties, increase our expenses in the event we are found liable, and could adversely affect our reputation. Further, the Deputy Director Industrial Safety and Health has filed a criminal proceeding against one of our Promoters and Directors. For further details, see "*Outstanding Litigation and Material Developments*" on page 340.

Additionally, the government or the relevant regulatory bodies may require us to shut down our facilities which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. If we fail to maintain safe work sites or violate applicable laws, it could expose us to civil and criminal liabilities and harm our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations.

33. ***Our operations could be adversely affected by strikes, work stoppages, demands for increased wages or any other kind of employee dispute.***

Although we believe that we enjoy a good relationship with our workforce and we have not experienced any major labour disruptions in the past and most of our employees are not unionized, there can be no assurance that our employees will not unionize or that we will not experience any strike, work stoppage or other industrial action in the future due to disputes or other problems with our work force due to *inter alia* wage demands. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have an adverse effect on our business, financial condition and results of operations. Such situations may have an adverse impact on our business, financial condition and results of operation.

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

We are dependent on the services of our individual Promoter, Directors and Key Managerial Personnel, and our ability to attract, train, motivate and retain skilled employees and other professionals will enable us to manage and expand our business operations. We believe that the inputs and experience of our individual Promoter, Directors and Key Managerial Personnel have been valuable for the development of business and operations and the strategic directions taken by our Company. The loss of or diminution in the services of our individual Promoter, Directors and Key Managerial Personnel could have a material adverse effect on our business, financial condition and results of operations. For details in relation to the experience of our individual Promoter, Directors and Key Managerial Personnel, see "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 221 and 199, respectively.

Our future success will to a large extent depend on our ability to retain our Key Managerial Personnel. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite skills, our operations and our ability to expand our business may be impaired. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could have a material adverse effect on our business, financial condition and results of operations.

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

Our products find application in *inter alia* the pharmaceutical, agrochemical, inks, coatings, adhesives, pigments and packaging industries. Given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and technical specifications. Prior to the placement of orders with us, new customers may undertake a detailed inspection of our manufacturing facilities and review our manufacturing processes. The products may be subject to laboratory validation by certain customers. We are required to be enlisted with certain customers as suppliers of certain products. We may also be subject to regular audits by customers to assess our manufacturing operations, process and quality standards. Pursuant to certain agreements entered into by us with our customers, we are required to ensure that our products conform with the technical specifications or guidelines of such customers.

We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. As a result, we are required to incur expenses to maintain our quality assurance systems. We will continue to spend a portion of our future revenues to manage our product quality and to maintain our quality control, a failure of which may negatively impact our profitability.

Any failure on our part to meet the expectations of our clients and to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and our customers may choose to source their requirements from our competitors. We may also be required to reimburse our customer for any losses suffered as a result of our non-compliance. The occurrence of such events could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

Our operations are subject to various risks inherent in the chemical manufacturing industry including defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. As at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, 99.27%, 99.30%, 99.25% and 99.07%, respectively, of our total assets were insured. Our Company has obtained various insurance policies including a public liability insurance policy, an industrial all risk insurance policies with respect to our Manufacturing Facilities, Jarandeshwar Distillery and Rabale Innovation Centre, marine export import insurance open policy, cyber and data protection, commercial crime and commercial general liability insurance policies and a directors and officers liability insurance policy with respect to the Directors and officers of our Company and our Subsidiaries incorporated in India. For further details of the insurance policies availed by our Company, see "*Our Business- Insurance*" on page 181.

Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. Accordingly, our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability.

We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies. As at September 30, 2020, insurance claims receivable by us on a consolidated basis aggregated to ₹ 40.46 million, including an amount of ₹ 38.47 million claimed towards loss of inventory and major repairs to plant and machinery at the SI Manufacturing Facility pursuant to floods in Fiscal 2020. Further, as at March 31, 2020, March 31, 2019 and March 31, 2018, insurance claims receivable by us on a consolidated basis aggregated to ₹ 41.51 million, ₹ 0.02 million and ₹ 0.45 million, respectively. See "*Restated Consolidated Financial Statements-Note 4.6. Other Financial Assets (Current)*" on page 265.

To the extent that we suffer loss or damage as a result of events for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or the amount received pursuant to an insurance claim, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

37. ***Certain of our Subsidiaries have incurred losses in the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018 due to which our consolidated results of operations and financial condition may be adversely affected.***

Certain of our Subsidiaries have incurred losses in the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018 as provided below:

(₹ in million)

Name of the Subsidiary	**Profit/(loss) in the six months ended September 30, 2020**	**Profit/(loss) in Fiscal 2020**	**Profit/(loss) in Fiscal 2019**	**Profit/(loss) in Fiscal 2018**
Laxmi Lifesciences Private Limited	(0.01)	(0.02)	(0.01)	(0.01)
Viva Lifesciences Private Limited	(0.67)	(0.31)	(0.01)	(0.01)
Cellbion Lifesciences Private Limited ("**Cellbion**")*	(15.81)	(23.55)	16.86	(12.68)

Name of the Subsidiary	Profit/(loss) in the six months ended September 30, 2020	Profit/(loss) in Fiscal 2020	Profit/(loss) in Fiscal 2019	Profit/(loss) in Fiscal 2018
Saideep Traders	(12.76)	(13.75)	26.11	(5.70)
Yellowstone Fine Chemicals Private Limited	(0.01)	-	-	-
Yellowstone Speciality Chemicals Private Limited	(0.01)	-	-	-
Laxmi Petrochem Middle East FZE	38.39	(38.91)	(33.72)	(1.70)
Laxmi Organic Industries (Europe) B.V.	(9.52)	(50.86)	8.89	32.36

** While our Subsidiary, Cellbion is currently non-operational, it has incurred losses on account of: (i) the share of profit/loss of Saideep Traders (a step-down Subsidiary of our Company pursuant to Ind AS 110), in which Cellbion holds a 95% stake. Saideep Traders is an operational partnership which houses one of our Distilleries, namely, the Panchganga Distillery; and (ii) the Ind-AS impact on the advance granted by our Company to Cellbion during Fiscal 2013.*

We cannot assure you that our Subsidiaries will be able to achieve profitability in the near future or at all. If our Subsidiaries continue to incur losses and/or the losses incurred by such Subsidiaries increase, such continued losses could adversely impact the loans/advances/guarantees given by our Company to/on behalf of our Subsidiaries, and our consolidated results of operations and financial condition may be adversely affected. For further details, please see "*Restated Consolidated Financial Statements - Details of Loans Given, Investments made and Guarantee given Covered U/S 186 (4) of the Companies Act, 2013*" on page 279.

38. ***Information relating to the historical installed capacity of our Manufacturing Facilities and Distilleries, and the estimated capacity of the Proposed Facility and the expansion of the SI Manufacturing Facility included in this Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical installed capacity of our Manufacturing Facilities, Distilleries and the estimated capacity of the Proposed Facility and the expansion of the SI Manufacturing Facility are based on certain technical assumptions. These technical assumptions involved in determining such installed capacity and estimated capacity, include number of shifts and the duration of each shift. Prospective investors should not place undue reliance on the historical installed capacity information and estimated installed capacity for the Manufacturing Facility, Distilleries and the estimated installed capacities of the Proposed Facility and expansion of the SI Manufacturing Facility.

39. ***A significant portion of our revenue from Speciality Intermediates has been generated from new products developed by us over the last decade. Our failure to continue to introduce new products and/or effectively commercialise such products may have an adverse effect on our revenue from operations, growth and prospects.***

In Fiscal 2010, we commenced manufacturing the Specialty Intermediates by acquiring Clariant's diketene business which included the technology and know-how of 18 products of which our Company is currently producing 14 products which form part of our Company's Specialty Intermediates product portfolio. Through our R&D efforts, in addition to the products acquired from Clariant, we have added 20 new products (the "**New Products**") to our Specialty Intermediates portfolio over the last decade. During the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, the New Products contributed 44.14%, 45.60%, 51.45% and 41.52%, respectively of our revenue from the Specialty Intermediates manufactured by our Company, on a standalone basis. While we believe we have been able to achieve a consistent track record of concept to commercialisation, there can be no assurance that our new products will receive the response we expect from the market in the absence of which, our R&D efforts could result in higher costs without a proportionate increase in revenues. Our failure to continue to introduce new products and/or effectively commercialise such products may have an adverse effect on our revenue from operations, growth and prospects.

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

Our Company has obtained trademark registrations under the Trade Marks Act, 1999 with respect to "Laxmi" (under classes 1, 2,3,4,5,9,35 and 42) "Laxmisolv" (under classes 1,2,3,4 and 5). We hold patents in Belgium, France, Germany, Hungary, Italy, Japan, Netherlands, Spain, Switzerland, United Kingdom and United States of America and have filed applications for two process patents in India which are currently pending. Our Company has also obtained a copyright registration under the Copyrights Act, 1957 with respect to our logo. We do not however hold the trademark for our logo. For details of our intellectual property, see "*Our Business–Intellectual Property*" on page 181.

We believe that our success depends on our ability to protect our intellectual property, which includes patented processes. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, since we have operations in several countries and may not be able to respond to infringement or passing off activity occurring without our knowledge. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. In the event that the confidential technical or proprietary information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the generic injectables industry could be compromised. Moreover, our existing trademarks and patents may expire, and there can be no assurance that we will renew them after expiry.

We also rely on technical knowledge, product information, industry data, manufacturing expertise and market "knowhow" that cannot be registered and is not subject to any confidentiality or nondisclosure clauses or agreements. If such know-how is leaked to third parties, this could erode our competitive advantage. Our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

While we may enter into confidentiality agreements, we cannot guarantee that any of our registered or unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be successfully opposed or otherwise challenged. We also cannot guarantee that each application filed with respect to our brand names or any new products or inventions will be approved. To the extent that our innovations, products and name are not protected by intellectual property rights, third parties, including competitors, may be able to commercialise our innovations or products or use our know-how.

Additionally, we may face claims that we are infringing the intellectual property rights of others. If we are subject to any adverse rulings or decisions, our manufacture and sale of such products could be significantly restricted or prohibited and we may be required to pay substantial damages or on-going licensing fees.

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

41. ***Any failure of our information technology systems could adversely affect our business and our operations. Further, changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Our business is dependent upon information technology systems, including internet-based systems, to support business processes. For details, please see "*Our Business- Information technology*" on page 180. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers and receivables from customers. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses and these systems may be susceptible to outages due to fire, power loss, telecommunications failures, natural disasters, break-ins and similar events. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. While we have obtained cyber insurance and carry out periodic security tests, 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. Accordingly, any such security breaches could have an adverse effect on our business and reputation.

42. ***We have had negative cash flow from operating activities in Fiscal 2018 and it is possible that we may experience negative cash flow from operating activities in the future.***

We have had negative cash flow from operating activities on a consolidated basis in the past as set out below:

(₹ in million)

Particulars	Six months ended September 30, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
Net cash flow from / (used in) operating activities (A)	354.74	1,960.03	1,876.53	(67.49)
Net cash flow from / (used in) investing activities (B)	(577.59)	(557.62)	(1,225.48)	(850.26)
Net cash flow from / (used in) financing activities(C)	247.84	(1,237.75)	(626.96)	847.21

For further details, see *"Restated Consolidated Financial Statements*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and *"Restated Consolidated Financial Statements – Note 41(D) Liquidity Risk* Management*"* on pages 233, 302 and 283, respectively. We cannot assure you that our net cash flow from operating activities will be positive in the future.

43. ***We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations***

We have entered, and are likely to continue to enter, into transactions with related parties, including our Promoters, members of our Promoter Group and our Group Companies on an arm's length basis. For more information on our prior related party transactions in the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018 and outstanding balances with related parties at the end of such periods, see "*Restated Consolidated Financial Statements*" and "*Restated Consolidated Financial Statements - Annexure 1 – Related Party Disclosures*" on pages 233 and 289, respectively of this Prospectus. The YCPL Acquisition is a related party transaction.

While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations. Further, any future transactions with our related parties may potentially involve conflicts of interest. There can also be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

44. ***We have commissioned and paid for an industry report from Frost & Sullivan, which has been used for industry related data in this Prospectus and such data has not been independently verified by us or the BRLMs.***

The information in this section and the chapters titled "*Summary of the Offer Document*", "*Our Business*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and "*Industry Overview*" on pages 21, 164, 302 and 131, respectively, of this Prospectus includes information that is derived from the Frost & Sullivan Report that we have commissioned and paid for pursuant to an agreement dated October 16, 2020 entered into with Frost & Sullivan in relation to its appointment, in connection with the Offer for the purpose of confirming our understanding of the industry. Neither we, nor any of the Book

Running Lead Managers, their associates or affiliates or any other person connected with the Offer have verified the information included in the Frost & Sullivan Report. Frost & Sullivan has advised that while the Frost & Sullivan Report has been prepared through research, involving discussing the status of the industry with leading industry participants and experts and compiling inputs from publicly available sources, including official publications and reports, quantitative market information being primarily based on such interviews and desk-based secondary research is subject to fluctuations. Investors are advised not to unduly rely on the industry related information provided in this Prospectus when making their investment decision and such industry related information contained in this Prospectus should not be construed as advice relating to business, financial, legal, taxation or investment matters.

45. ***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. Further, if our competitors are able to improve the efficiency of their manufacturing processes and thereby offer their products at lower prices, our revenues and profitability may decline.***

We are required to compete both in the domestic and international markets. We may be unable to compete with the prices and products offered by our competitors (local as well as international). We may have to compete with new players in India and abroad who enter the market and are able to offer competing products. Our competitors may have access to greater financial, manufacturing, research and development, marketing, distribution and other resources and more experience in obtaining the relevant regulatory approvals. Increasing competition may result in pricing pressures and decreasing profit margins or loss of market share or failure to improve our market position, any of which could substantially harm our business and results of operations. For instance, petrochemical manufacturing companies with larger scale operations than us may commence manufacturing the products manufactured by us.

We cannot assure you that we shall be able to compete with our existing as well as future competitors as well as the price and services offered by them. In addition, our customers may enter into contract manufacturing arrangements with third parties, for products that they are presently purchasing from us. Our failure to successfully face existing and future competition may have an adverse impact on our business, growth and development.

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

As of the date of this Prospectus, our Promoters and the other members of our Promoter Group cumulatively hold 89.51% of our issued, subscribed and paid-up Equity Share capital. Upon completion of the Offer, our Promoters and the members of the Promoter Group will collectively continue to exercise control over us, which will allow them to vote together on certain matters in our general meetings. Accordingly, the interests of our Promoters in their capacity as our Shareholders may conflict with your interests and the interests of our other shareholders.

47. ***Our Promoters, Directors and Key Managerial Personnel are interested in our Company in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters, Directors and Key Managerial Personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Further, in addition to transactions disclosed at "*Restated Consolidated Financial Statements*" on page 233, such Promoters, Directors and Key Managerial Personnel may also be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors and our Key Managerial Personnel, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company.

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

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We have adopted a dividend distribution policy which lays down the principles for distribution of dividend by our Company to our shareholders and sets out *inter alia* the financial parameters and/or internal and external factors to be considered by our Company before declaring or recommending dividend to shareholders and the circumstances under which shareholders may or may not expect dividend. For details, see "*Dividend Policy*" on page 231.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future.

49. ***We benefit from certain export incentives from the Government of India and certain other benefits, which if withdrawn or modified may have an adverse impact on our results operations. Further, export authorities in countries to which we export our products may impose varying duties on our products and any increase in such duties may adversely affect our competitiveness, sales and results of operations.***

As on the date of this Prospectus, our Company receives certain export benefits from the Government of India. Such export benefits include benefits through advance authorisation (based on prevailing input-output norms), the Merchandise Exports from India Scheme and duty drawback. In the six months ended September 30, 2020 and Fiscal 2020, 2019 and 2018, export incentives received/receivable by us on a consolidated basis aggregated to ₹35.41 million, ₹66.05 million, ₹79.96 million and ₹54.68 million. The withdrawal or modification of such export incentives may have an adverse effect on the revenue from exports, thereby having an adverse impact on our results of operations.

Further we have also received certain other benefits and government grants by way of multiple interest free sales tax loans which are repayable in five instalments from their due date. As at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, government grants outstanding on a consolidated basis was ₹9.72 million, ₹12.96 million, ₹22.05 million and ₹33.29 million respectively. We also avail certain benefits granted by the Government of Maharashtra including refund of VAT and CST and exemption from payment of electricity duty. For details of such benefits, see "*Restated Consolidated Financial Statements-43. Exceptional Items*" on page 286. The withdrawal of such benefits may result in an increase in our finance and power expenses respectively, thereby adversely impacting our results of operations.

Further, we cannot assure you that the countries where we currently export our products will not impose additional duties on our products, including the imposition of non-tariff barriers. The imposition of such duties may require us to raise the prices of our products in such countries and adversely affect our competitiveness, sales and results of operations.

50. ***The objects of the Offer include funding working capital requirements of our Company and Yellowstone Fine Chemicals Private Limited, a wholly owned Subsidiary of our Company, which are based on certain assumptions and estimates.***

The objects of the Offer include funding working capital requirements of our Company and YFCPL, which are based on management estimates and certain assumptions in relation to *inter alia* sales of our products in the future, the cost and holding periods of inventories of raw materials and finished goods as well as capacity utilisation. For details, see "*Objects of the Offer*" on page 100 and "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Ratios – Working Capital Turnover Ratio*" on page 332. Our working capital requirements may be subject to change due to factors beyond our control including *force majeure* conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of YCPL or our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

51. ***Any downward revision of our credit ratings could result in an increase in the interest rates we would pay***

on any new borrowings and could decrease our ability to borrow as much money as we require to finance our business.

The cost and availability of capital, among other factors, depends on our credit rating. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Set forth below is the instrument-wise of credit ratings assigned to our debt facilities by India Ratings & Research Private Limited since December 28, 2018 (last revalidated on February 27, 2020). There has been no downward revision in the credit ratings assigned to our Company since such date.

Instrument	Rating
Term Loans	Ind A+/Stable
Fund-based working capital facility	Ind A+/Stable/IND A1
Non-fund based working capital facility	IND A1
Commercial paper	IND A1

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

52. ***If we fail to retain and attract additional skilled employees, particularly science and technical personnel, it could have a material adverse effect on our business, financial condition and results of operations.***

Our success depends in part on our ability to retain and attract additional skilled employees, particularly our scientists and skilled equipment operators. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our ability to successfully carry out research and development depends on our ability to attract and retain skilled scientists and equipment operators. Our experienced sales team has also developed a number of meaningful customer relationships that would be difficult to replace.

Our manufacturing operations are primarily concentrated in the Manufacturing Facilities at Mahad, Maharashtra, while the Proposed Facility will be commissioned in Lote Parshuram, Maharashtra. We accordingly require substantial skilled and semi-skilled personnel in such areas for efficient functioning of the Manufacturing Facility and Proposed Facility. Our inability to employ or retain skilled and semi-skilled personnel in such areas, may result in a disruption in our operations and we may be required to pay higher wages to the skilled and semi-skilled personnel in such areas.

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

53. ***We have availed certain unsecured borrowings which may be recalled by our lenders at any time. Any such demand may adversely affect our business, cash flows, financial condition and results of operations.***

We have currently availed certain unsecured borrowings which may be recalled by the relevant lender at any time, during the tenor of the loan with or without the existence of an event of default. As on January 31, 2021, our unsecured borrowings aggregated ₹189.67 million, which represented 7.75% of our total borrowings, on a consolidated basis. We have obtained necessary consents from our lenders from whom we have availed unsecured borrowings, as required under our loan/financing documentation, for undertaking the Offer and related actions. For further details in relation to our indebtedness, please see section titled "*Financial Indebtedness"* on page 337.

In the event that the lender seeks a repayment of the loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not have adequate funds to undertake new initiatives or complete our ongoing strategies. As a result, any such demand for repayment of unsecured borrowings may adversely affect our business, cash flows, financial condition and results of operations.

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

Our Company intends to use Net Proceeds raised pursuant to the Fresh Issue in the manner set out in the section titled "*Objects of the Offer"* on page 100.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this 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 undertake variation in the disclosed utilisation 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. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the 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.

55. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we have or may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

56. ***Our Statutory Auditor's report on our audited consolidated financial statements for Fiscal 2018 was qualified in respect of a matter concerning our Material Subsidiary. Further, such audit report also includes an emphasis of matter in relation to our Subsidiary, Laxmi Petrochem Middle East FZE.***

Our Statutory Auditor's report on our audited consolidated financial statements for Fiscal 2018 was qualified in respect of a matter concerning the financial statements of our Material Subsidiary and stated that such financial statements were accounted on the basis of the management accounts including the Ind AS conversion for the purpose of making them fit for consolidation. However, as stated in the examination report dated February 23, 2021 issued by our Statutory Auditor on the Restated Consolidated Financial Statements, the financial statements of the Laxmi Netherlands for Fiscal 2018 were subsequently audited and were considered and relied upon for the purposes of the Restated Consolidated Financial Statements. No adjustments have been made in the Restated Consolidated Financial Statements in respect of this matter as there were no changes in the financial statements prepared by the management and those that were subsequently audited. Further, our Statutory Auditor's in such audit have also drawn attention to a trade receivable of our Subsidiary, Laxmi Petrochem Middle East FZE, amounting to AED 2.16 million (approx. ₹ 38.26 million) as at March 31, 2018 from two customers which remained unpaid for more than a year. The auditors of Laxmi Petrochem Middle East FZE have made an emphasis of matter in their audit period for Fiscal 2018. In Fiscal 2019, our Company made provisions for the aforementioned trade receivable in its consolidated financial statements to the tune of AED 2.16 million (at the applicable exchange rate).

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

We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" beginning on page 100. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. The mode of investment by our Company in YFCPL to fund the setting up of the Proposed Facility; and in relation to funding repayment/prepayment of loans availed by VLPL has currently not been determined and may be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. However, the deployment of the Net Proceeds will be monitored by the Monitoring Agency. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as the continuing impact of the COVID-19 pandemic, interest or exchange rate fluctuations, changes in designs, increase in input costs, labour costs, logistics and transport costs, incremental preoperative expenses, taxes and duties, start-up costs, engineering procurement and construction costs, regulatory costs, environmental factors and other external factors. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

58. ***There are certain amounts which remain unspent by our Company towards CSR expenditure. Any failure to spend these amounts in accordance with Section 135 of the Companies Act, 2013 (read with the relevant rules prescribed thereunder) may adversely impact our cash flows and reputation.***

Pursuant to the provisions of the Companies Act, 2013, our Company is required to spend at least 2% of the average net profits in the preceding three years, towards CSR activities, in the manner prescribed under Section 135 of the Companies Act, 2013 (read with the relevant rules prescribed thereunder). In the event such amounts remain unspent, the same are required to be dealt with in the manner prescribed. We incurred an expenditure of ₹ 0.40 million, ₹ 32.46 million and ₹ 5.88 million in Fiscals 2020, 2019 and 2018 respectively, towards corporate social responsibility expenditure in compliance with the Companies Act, 2013. In accordance with the Companies Act, 2013, an aggregate amount of ₹ 15.61 million was unspent as on March 31, 2018 which was added to the CSR corpus for Fiscal 2019 and accordingly was spent towards CSR expenditure in Fiscal 2019. In Fiscal 2019 there were no amounts unspent towards CSR expenditure. Further, as on March 31, 2020, an aggregate amount of ₹ 21.67 million was unspent which was added to the CSR corpus for Fiscal 2021. In the event we are unable to spend such unspent amounts in the manner and within the timeline prescribed under the Companies Act, 2013, we may attract penalties under the Companies Act, 2013. Any such non-compliance as well as any penalties imposed in this regard may adversely impact our cash flows and reputation.

59. ***The proceeds from the Offer for Sale component of the Offer shall be received directly by the Promoter Selling Shareholder.***

The Offer includes the Offer for Sale by the Promoter Selling Shareholder. The proceeds from the Offer for Sale component of the Offer will be paid directly to the Promoter Selling Shareholder. We will not receive any of the proceeds from the Offer for Sale and will accordingly not have access to such funds.

60. ***We have issued Equity Shares in the last 12 months at a price that is lower than the Offer Price.***

Pursuant to the Pre-IPO Placement, we have on February 27, 2021 and on March 1, 2021 allotted an aggregate of 15,503,875 Equity Shares on a preferential basis for an aggregate consideration of ₹ 2,000.00 million at a price of ₹ 129.00 per Equity Share. The issue price of such allotments pursuant to the Pre-IPO Placement is lower than the Offer Price. For further details, see "*Capital Structure-Notes to the Capital Structure*" on page 83.

61. ***In the event the Offer is not completed within 12 months from February 11, 2021, our Company has an obligation to buy-back Equity Shares allotted to investors pursuant to the Pre-IPO Placement (such investors, the "Pre-IPO Investors").***

In connection with the Pre-IPO Placement, our Company has issued the letters dated March 1, 2021 to the Pre-IPO Investors ("**Pre-IPO Letters**"). Pursuant to the Pre-IPO Letters, each of the Pre-IPO Investors has a right to require our Company to buy-back (subject to compliance with applicable law) their respective Equity Shares allotted pursuant to the Pre-IPO Placement, if the Equity Shares are not listed on the Stock Exchanges, on or before the expiry of 12 months from February 11, 2021 at the price at which Equity Shares were subscribed by the Pre-IPO Investors. While this option automatically terminates on the listing of the Equity Shares pursuant to the Offer, we cannot assure you that the Offer will be consummated on or prior to such date. In the event the option is exercised by one or all of the Pre-IPO Investors, our Company may require significant resources towards buying back such shareholding which in turn may have a material adverse impact on the Company and its prospects.

EXTERNAL RISKS

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

   The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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

2. ***Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

   Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

3. ***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 ratings have recently been downgraded. For instance, our credit rating was downgraded by Moody's from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook and by Fitch from BBB- with a "stable" outlook to BBB- with a "negative" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets? and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

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

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. While we have not opted for the concessional regime and continue to be subject to other benefits and exemptions, any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020 ("**Finance Act**"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax (**"DDT"**), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and 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, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Bill, 2021 ("Finance Bill"), has introduced various amendments. The Finance Bill is yet to receive assent from the President of India. We have not fully determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

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

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

Further, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, effective from July 1, 2020, has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2020 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, in order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Prospectus, namely, (i) the Code on Wages, 2019, (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. Once these codes are in force, we may be required to incur additional expenditure to ensure compliance with them.

Additionally, a draft of the Personal Data Protection Bill, 2019 has been introduced before the Lok Sabha on December 11, 2019, which has currently been referred to a joint parliamentary committee. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

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

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

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

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

7. ***Our ability to raise foreign capital may be constrained by Indian law.***

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 valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and 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. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all.

In terms of Press Note 3 of 2020 dated April 17, 2020 and the Consolidated FDI Policy Circular of 2020 issued by the Department for Promotion of Industry and Internal Trade, the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

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

Our Company is a company incorporated under the laws of India. A majority of our Company's Directors and officers are residents of India and a substantial portion of our assets and such persons are located in India.

As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

RISKS RELATING TO THE EQUITY SHARES AND THE OFFER

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

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

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

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

10. 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 was determined by our Company and Promoter Selling Shareholder, in consultation with the Book Running Lead Manager through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 125 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 issue and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

Further, the BRLMs have previously handled public issues wherein the market price of the issued shares declined below the issue price of shares in such public issues within 30 and/or 180 days of their listing. We cannot, therefore, assure investors that they will be able to resell their Equity Shares at or above the Offer Price. For further information regarding the track record of past issues handled by each of the BRLMs, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)*" beginning on page 355.

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

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

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

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

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also 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. These amendments were notified on December 10, 2019and have come into effect from July 1, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that 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. The Company would be required to deduct tax at source from dividend credited, paid or distributed to its shareholders.

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 pursuant to any corporate action including dividends.

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

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

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

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

15. ***Fluctuations 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 substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

16. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 381.

17. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors may begin trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently not traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity

Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

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

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

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

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

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

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

SECTION IV – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares(1)^	46,153,846* Equity Shares, aggregating to ₹6,000.00 million*
of which:	
Fresh Issue (1) ^	23,076,923* Equity Shares, aggregating to ₹ 3,000.00 million*
Offer for Sale (2)	23,076,923* Equity Shares, aggregating to ₹ 3,000.00 million*
The Offer comprises of:	
A) QIB Portion (3)(4)	23,076,922* Equity Shares
of which:	
(i) Anchor Investor Portion	13,846,153* Equity Shares
(ii) Balance QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	9,230,769* Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	461,539* Equity Shares
(b) Balance for all QIBs including Mutual Funds	8,769,230* Equity Shares
B) Non-Institutional Portion	6,923,077* Equity Shares
C) Retail Portion (5)	16,153,847* Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Prospectus)	240,585,850* Equity Shares
Equity Shares outstanding after the Offer	263,662,773* Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 100. Our Company will not receive any proceeds from the Offer for Sale.

^ Our Company has, in consultation with the BRLMs, undertaken the Pre-IPO Placement. The size of the Fresh Issue was reduced from up to ₹ 5,000.00 million to ₹ 3,000.00 million and consequently, the size of the Offer was reduced from up to ₹ 8,000.00 million to ₹ 6,000.00 million.
**Subject to finalization of the Basis of Allotment*

(1) The Offer has been authorized by a resolution of our Board dated October 30, 2020 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated November 24, 2020.

(2) The Equity Shares being offered by the Promoter Selling Shareholder are eligible for being offered for sale as part of the Offer for Sale in terms of the SEBI ICDR Regulations. The Promoter Selling Shareholder has consented to participate in the Offer for Sale pursuant to its consent letter dated December 15, 2020 and has consented to offer such number of Equity Shares aggregating up to ₹ 3,000.00 million in the Offer for Sale.

(3) Our Company and the Promoter Selling Shareholder have, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion was accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as

specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see "Offer Procedure" beginning on page 367.

(4) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange. In the event of an under-subscription in the Offer, subject to receipt of minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares offered pursuant to the Fresh Issue, followed by Allotment of Equity Shares offered by the Promoter Selling Shareholder.

(5) Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Investors, was made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor was 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, were allocated on a proportionate basis. Allocation to Anchor Investors was on a discretionary basis. For details, see "Offer Procedure" on page 367.

For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure* "and "*Offer Procedure*" on page 363 and 367, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 359.

SUMMARY FINANCIAL INFORMATION

*The following tables set forth the summary financial information derived from our Restated Consolidated Financial Statements. The summary financial information presented below has been prepared in accordance with Ind AS for the six month period ended September 30, 2020 and Fiscals 2020, 2019 and 2018 and restated in accordance with the SEBI ICDR Regulations and are presented in the section "*Restated Consolidated Financial Statements*" on page 233.*

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

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(In ₹ million)

	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
ASSETS					
I	**Non-current asset**				
(a)	Property, plant and equipment	3,209.28	3,255.13	3,305.90	2,770.88
(b)	Capital work-in-progress	743.99	674.89	314.79	299.54
(c)	Right-of-use assets	100.42	113.69	140.53	159.92
(d)	Intangible assets	6.37	7.78	10.37	2.52
(e)	Financial assets				
	(i) Loans and Advances	83.37	82.53	40.53	29.90
	(ii) Others	17.45	10.69	6.32	58.88
(f)	Deferred tax assets (net)	15.04	12.60	-	-
(g)	Other non-current assets	75.44	79.77	77.88	186.46
	Total non-current assets	**4,251.36**	**4,237.08**	**3,896.32**	**3,508.11**
II	**Current assets**				
(a)	Inventories	1,262.10	1,518.89	1,707.46	1,458.30
(b)	Financial assets				
	(i) Trade receivables	3,342.96	3,593.67	3,261.80	3,241.82
	(ii) Cash and cash equivalents	266.08	241.10	76.45	52.36
	(iii) Bank balances other than (ii) above	549.70	205.99	390.91	-
	(iv) Loans and Advances	1.91	1.96	1.97	10.35
	(iv) Other financial assets	331.12	403.11	9.23	8.42
(c)	Other current assets	366.09	504.53	800.74	596.16
(d)	Assets held for sale	-	-	-	71.82
	Total current assets	**6,119.96**	**6,469.25**	**6,248.56**	**5,439.23**
	Total assets (I+II)	**10,371.32**	**10,706.33**	**10,144.88**	**8,947.34**
	EQUITY AND LIABILITIES				
I	**Equity**				
(a)	Equity share capital	450.16	450.16	500.45	100.09
(b)	Other equity	4,273.90	3,819.02	3,998.00	3,693.11
		4724.06	**4269.18**	**4498.45**	**3793.20**
(c)	Non-controlling interest	3.37	3.87	3.47	2.08
	Total equity	**4,727.43**	**4,273.05**	**4,501.92**	**3,795.28**
II	**LIABILITIES**				
1	**Non-current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	902.66	901.53	746.06	531.01
	(ii) Lease liabilities	66.87	83.57	107.47	122.95
(b)	Provisions	30.77	28.36	21.99	18.47
(c)	Deferred tax liabilities (net)	124.65	132.69	170.71	159.73
(d)	Other non-current liabilities	-	-	-	5.95
	Total non-current liabilities	**1,124.95**	**1,146.15**	**1,046.23**	**838.11**
2	**Current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	632.95	336.45	666.52	1,388.28
	(ii) Trade payables				
	- Total outstanding dues of micro and small enterprises	18.71	39.97	7.15	5.25

Particulars		As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	- Total outstanding dues of creditors other than micro and small enterprises	3,074.75	4,076.30	3,148.50	2,136.06
	(iii) Lease Liability	28.66	23.89	21.30	18.73
	(iv) Other financial liabilities	531.51	621.05	604.01	518.36
(b)	Provisions	123.05	117.71	86.06	73.48
(c)	Current Tax Liabilities (net)	14.68	9.65	27.67	101.94
(d)	Other current liabilities	94.64	62.10	35.52	71.85
	Total current liabilities	**4,518.94**	**5,287.12**	**4,596.73**	**4,313.95**
	Total equity and liabilities (I+II)	**10,371.32**	**10,706.33**	**10,144.88**	**8,947.34**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ million, except per share data)

	Particulars	For six month period ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	Revenue from operations (gross)	8,134.06	15,341.23	15,685.21	13,930.74
	Other income	9.49	44.98	58.02	30.01
I	**Total income**	**8,143.55**	**15,386.21**	**15,743.23**	**13,960.75**
II	**EXPENSES**				
	Cost of raw materials consumed	3,518.58	7,809.60	8,884.16	6,558.19
	Purchase of stock in trade	2,093.42	2,870.66	2,496.00	3,212.96
	Changes in inventories of Finished Goods, Work in progress and Stock in Trade	124.73	285.46	(423.83)	(87.27)
	Excise Duty	-	-	-	175.51
	Employee benefits expense	357.33	685.64	645.33	526.01
	Finance cost	74.42	140.19	169.69	98.09
	Depreciation & amortization	227.01	488.88	440.59	312.86
	Other expenses	1,186.07	2,554.39	2,550.70	2,031.42
	Total expenses	**7,581.56**	**14,834.82**	**14,762.64**	**12,827.77**
III	**Profit before share of profit/(loss) of an associate/ Joint venture and exceptional items (I-II)**	**561.99**	**551.39**	**980.59**	**1,132.98**
	Share of profit/(loss) of a Joint Venture	-	-	(4.70)	0.16
IV	**Profit before exceptional items and tax**	**561.99**	**551.39**	**975.89**	**1,133.14**
V	**Exceptional items**	-	256.63	**-**	**-**
VI	**Profit before tax (IV+V)**	**561.99**	**808.02**	**975.89**	**1,133.14**
VII	**Tax expense**	**107.15**	**105.90**	**251.98**	**376.19**
	1. Current tax	117.64	159.41	241.45	306.65
	2. Deferred tax liability / (asset)	(10.49)	(50.61)	10.99	69.54
	3. Income Tax (Excess)/Short Provision of previous year	-	(2.90)	(0.46)	-
	Profit for the period (VI-VII)	**454.84**	**702.12**	**723.91**	**756.95**
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss				
	Remeasurement of the net defined benefit (net of tax)	1.00	(5.29)	(1.00)	3.11
	Total other comprehensive income, net of tax	**1.00**	**(5.29)**	**(1.00)**	**3.11**
	Total comprehensive income for the year	**455.84**	**696.83**	**722.91**	**760.06**
	Profit/(Loss) attributable to:				
	Owners of the Company	454.84	700.75	723.91	756.95
	Non- Controlling Interest	-	1.37	-	-
	Other comprehensive income attributable to:				
	Owners of the Company	1.00	(5.29)	(1.00)	3.11
	Non- Controlling Interest	-	-	-	-
	Earnings per equity share (nominal value of share INR 2 each)				
	Basic & Diluted (Rs)	2.02	2.86	2.89	3.03

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(In ₹ million)

Particulars	For the six month period ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities				
(I) Restated Profit / (Loss) before exceptional items and tax	**561.99**	**551.39**	**975.89**	**1,133.14**
Adjustments for:				
Depreciation and amortisation expense	227.01	488.88	440.59	312.86
(Profit) / loss on sale / write off of assets	-	0.12	(0.45)	(0.14)
Finance costs	70.89	123.99	169.69	98.09
Interest income	(8.22)	(32.60)	(16.20)	(9.80)
Guarantee Commission	-	-	(0.51)	(0.58)
Amortisation of upfront fees	2.84	2.07	0.49	0.68
Sales Tax Receivable w/off	1.15	2.51	4.95	8.61
Provision for doubtful debts/Write off - ECL	-	11.35	(0.24)	0.36
Sundry balances written back	(0.32)	(3.77)	(13.77)	(9.10)
Net unrealised exchange (gain) / loss	8.30	(34.86)	25.25	1.03
(II) Total of Non Cash Adjustments	**301.66**	**557.68**	**609.80**	**402.01**
(III) Operating profit / (loss) before working capital changes (I +II)	**863.64**	**1,109.08**	**1,585.68**	**1,535.15**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	256.79	188.57	(249.16)	(712.07)
Trade receivables	246.18	(357.16)	(6.48)	(921.43)
Financial Assets	82.66	(181.24)	(1.78)	(9.66)
Non Financial Assets	146.79	288.33	(117.75)	(276.27)
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payable	(1,040.82)	1,021.25	1,014.39	508.04
Financial Liabilities	(124.02)	2.34	(33.12)	110.49
Non Financial Liabilities	32.54	26.58	(42.35)	(35.85)
Provisions	(0.90)	17.37	2.92	7.78
(IV) Total Changes in Working Capital	**(400.77)**	**1,006.04**	**566.68**	**(1,328.98)**
Cash generated from operations (III+IV)	**462.87**	**2,115.12**	**2,152.36**	**206.17**
Net income tax (paid) / refunds	(108.13)	(155.08)	(275.83)	(273.66)
Net cash flow from / (used in) operating activities (A)	**354.74**	**1,960.03**	**1,876.53**	**(67.49)**
B. Cash flow from investing activities				
Capital expenditure on Property Plant and Equipment	(235.58)	(770.82)	(974.88)	(884.88)

Particulars	For the six month period ended September 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Proceeds from sale of Property Plant and Equipment	-	2.04	1.51	0.90
Movement in Other Bank Balances	(350.76)	179.67	(337.75)	50.88
(Purchase)/Sale of Investments	-	-	71.82	(26.25)
Interest received	8.75	31.49	13.83	9.09
Net cash flow from / (used in) investing activities (B)	**(577.59)**	**(557.62)**	**(1,225.48)**	**(850.26)**
C. Cash flow from financing activities				
Non Controlling interest	(0.50)	(0.97)	1.39	1.16
Proceeds from Long term borrowings	250.00	499.69	563.82	400.00
Repayment of Long term borrowings	(213.12)	(340.69)	(264.64)	(290.49)
Net Proceeds from Short term borrowings	296.51	(330.08)	(721.77)	862.60
Buy Back of Equity Shares	-	(820.13)	-	-
Buy back Tax	-	(80.40)	-	-
Interest paid	(69.59)	(113.99)	(158.67)	(89.71)
Lease Liabilities:				
Principal	(11.92)	(21.31)	(19.03)	(12.92)
Interest	(3.54)	(8.75)	(9.96)	(8.97)
Dividends paid	-	(17.52)	(15.01)	(12.01)
Tax on dividend	-	(3.60)	(3.09)	(2.45)
Net cash flow from / (used in) financing activities (C)	**247.84**	**(1,237.75)**	**(626.96)**	**847.21**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**24.98**	**164.65**	**24.09**	**(70.55)**
Cash and cash equivalents at the beginning of the year	241.10	76.45	52.36	122.92
Cash and cash equivalents at the end of the year	266.08	241.10	76.45	52.36
	24.98	**164.65**	**24.09**	**(70.55)**
Components of Cash and Cash Equivalents				
Cash on Hand	3.30	3.14	10.60	5.61
Balances with Bank	262.78	237.96	65.85	46.75
Total Balance	**266.08**	**241.10**	**76.45**	**52.36**

GENERAL INFORMATION

Registered Office of our Company

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

Laxmi Organic Industries Limited
A-22/2/3, MIDC
Mahad, Raigad - 402 309
Maharashtra
Telephone: +91 2145-232424
Website: www.laxmi.com

For details of the changes in our Registered Office, see "*History and Certain Corporate Matters-Change in the Registered Office*" at page 187.

Corporate Office of our Company

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

Laxmi Organic Industries Limited
Chandermukhi Building, 2nd and 3rd Floor
Nariman Point, Mumbai – 400021, Maharashtra

Company Registration Number and Corporate Identity Number

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

a. Registration number: 051736
b. Corporate identity number: U24200MH1989PLC051736

The Registrar of Companies

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

100, Everest, 5th Floor
Marine Drive, Mumbai- 400002
Maharashtra

Filing

A copy of the Draft Red Herring Prospectus was filed electronically on the SEBI's online portal and 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".

Further, a copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act was filed with the RoC, and a copy of this Prospectus has been filed with the RoC at its office, in accordance with Section 26 of the Companies Act, 2013.

Board of Directors

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

Name and designation on the Board	DIN	Address
Ravi Goenka (Chairman and Managing Director)	00059267	221-C, Grand Paradi Apartments, A.K. Marg, Kemps Corner, Mumbai - 400 036, Maharashtra

Name and designation on the Board	DIN	Address
Satej Nabar (Executive Director and Chief Executive Officer)	06931190	A/171, Kalpataru Sparkle, Bandra East, Mumbai - 400 051, Maharashtra
Harshvardhan Goenka (Executive Director - Business development and Strategy)	08239696	221/C, Grand Paradi Apartments, A. K. Marg, Kemps Corner, Mumbai – 400 036, Maharashtra
Rajeev Goenka (Non-Executive Director)	00059346	241-C, Grand Paradi Apartments, August Kranti Marg, Kemps Corner, Mumbai - 400 036, Maharashtra
Manish Chokhani (Independent Director)	00204011	161, Silver Arch, 66, L Jagmohandas Marg, Mumbai - 400 006, Maharashtra
O.V. Bundellu (Independent Director)	00032950	Building. no. 16, Flat No. 61, Ashiyana CHS, Next to Infinity Mall off New Link Road, Oshiwara, Mumbai - 400 102, Maharashtra
Sangeeta Singh (Independent Director)	06920906	9-A, Harbour Heights, A-Building, N. A. Sawant Marg, Colaba, Mumbai - 400 005, Maharashtra
Dr. Rajeev Vaidya (Independent Director)	05208166	121- Delpa Drive, Landenberg, PA-19350, United States of America

For further details of our Board of Directors, see "*Our Management-Board of Directors*" on page 199.

Company Secretary and Compliance Officer

Aniket Hirpara is the Company Secretary and Compliance Officer our Company. His contact details are as follows:

Aniket Hirpara
Chandermukhi Building, 3rd Floor,
Nariman Point, Mumbai – 400021
Maharashtra
Telephone: +91 22-49104467
E-mail: investors@laxmi.com

Investor Grievances

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

All Offer related grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or First Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIIs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIIs using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. 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.

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

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

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House,
C-2 Wadia International Center,
Pandurang Budhkar Marg,
Worli, Mumbai- 400 025
Maharashtra
Tel: +91 22 4325 2183
E-mail: laxmi.ipo@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Sagar Jatakiya
SEBI Registration No.: INM000012029

DAM Capital Advisors Limited (*formerly known as IDFC Securities Limited*)
One BKC, Tower C, 15th Floor
Unit No. 1511, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Maharashtra
Tel: +91 22 4202 2500
E-mail: laxmi.ipo@damcapital.in
Investor Grievance Email: complaint@damcapital.in
Website: www.damcapital.in
Contact Person: Kunal Thakkar
SEBI Registration No.: MB/INM000011336

Syndicate Member

Sharekhan Limited
10th floor, Beta Building
Lodha Ithink Techno Campus
Opposite Kanjurmarg railway station
Kanjurmarg (E)
Mumbai- 400 042, Maharashtra
Telephone: +91 22 6115 0000
Email: pravin@sharekhan.com
Website: www.sharekhan.com
Contact person: Pravin Darji
SEBI Registration number: INB231073330/INB011073351

Banker(s) to the Offer

Escrow Collection Bank and Refund Bank

Axis Bank Limited
Ground Floor, Maker Chamber IV
Nariman Point, Mumbai- 400 021
Maharashtra
Telephone: +91 22 43550721
Email: narimanpoint.branchead@axisbank.com
Website: www.axisbank.com
Contact person: Mohan Santhanam
SEBI Registration No.: INBI00000017

Public Offer Account Bank and Sponsor Bank

HDFC Bank Limited
FIG-OPS Department- Lodha
I Think Techno Campus, O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai- 400 042
Maharashtra

Telephone: +91 3075 2927/28/2914
Email: Tushar.gavankar@hdfcbank.com; siddharth.jadhav@hdfcbank.com; prasanna.uchil@hdfcbank.com; neerav.desai@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Tushar Gavankar, Siddharth Jadhav, Prasanna Uchil
SEBI Registration No.: INBI00000063

Statement of *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Axis Capital and DAM Capital	Axis Capital
2.	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, Offer Agreement, Syndicate and Underwriting Agreements and RoC filing	Axis Capital and DAM Capital	Axis Capital
3.	Drafting and approval of all statutory advertisements	Axis Capital and DAM Capital	Axis Capital
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.	Axis Capital and DAM Capital	DAM Capital
5.	Appointment of intermediaries such as Registrar, Ad agency, Printer, Banker (s) to the Offer, Monitoring Agency, etc. (including coordination of all agreements)	Axis Capital and DAM Capital	DAM Capital
6.	Preparation of road show presentation and FAQs for the road show team	Axis Capital and DAM Capital	Axis Capital
7.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	Axis Capital and DAM Capital	Axis Capital
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	Axis Capital and DAM Capital	DAM Capital
9.	Conduct non-institutional marketing of the Offer	Axis Capital and DAM Capital	DAM Capital
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres	Axis Capital and DAM Capital	Axis Capital

Sr. No.	Activity	Responsibility	Co-ordination
	• 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		
11.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading	Axis Capital and DAM Capital	DAM Capital
12.	Deposit of 1% security deposit with the designated stock exchange	Axis Capital and DAM Capital	DAM Capital
13.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	Axis Capital and DAM Capital	Axis Capital
14.	Post-Offer activities – managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation, management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery and preparation of CAN for Anchor Investors, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf the Selling Shareholder, coordination for investor complaints related to the Offer, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	Axis Capital and DAM Capital	DAM Capital

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

Khaitan & Co
10th & 13th Floors, Tower 1
One World Centre
841, Senapati Bapat Marg
Mumbai 400 013, Maharashtra
Maharashtra, India
Telephone: +91 22 6636 5000

Legal Counsel to the BRLMs as to Indian law

J. Sagar Associates
Vakils House
18, Sprott Road, Ballard Estate
Mumbai 400 001
Maharashtra, India
Telephone:+91 22 4341 8600

Special Purpose International Legal Counsel to the BRLMs
Squire Patton Boggs (MEA) LLP
Dubai International Financial Centre (DIFC)
Burj Daman Office Tower, Level 10
P.O. BOX 111713

Dubai, United Arab Emirates
Telephone: +971 4 447 8700

Registrar to the Offer

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

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 RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks for UPI Mechanism

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

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Statutory Auditor to our Company

Natvarlal Vepari & Co., Chartered Accountants
903-904, 9th Floor, Raheja Chambers
Free Press Journal Marg, 213
Nariman Point
Mumbai, Maharashtra - 400 021
E-mail: njayendran@nvc.in
Telephone: +91 22 67527100
Firm registration number: 106971W
Peer review no.: 011202

Changes in Auditors

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

Bankers to our Company

Axis Bank Limited
Corporate Banking Branch Mumbai
12 A Mittal Tower, 1st floor
Nariman Point
Mumbai, Maharashtra- 400021
Telephone: +91 22 22895115
Email: avijit3.saha@axisbank.com/ deepak.modani@axisbank.com
Website: www.axisbank.com
Contact person: Avijit Saha/ Deepak Modani

Citibank N.A.
FIFC, 9th floor
Plot no. C 54 & 55
G-Block
Bandra Kurla Complex
Mumbai, Maharashtra- 400098
Telephone: +91 22 6175 6224
Email: ajith.thomas@citi.com
Website: www.citibank.co.in
Contact person: Ajith Thomas

HDFC Bank Limited
Peninsula Business Park
Tower B, 4th floor
Senapati Bapat Marg
Lower Parel (w)
Mumbai, Maharashtra - 400013
Telephone: +91 9320766462
Email: parag.dave@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Parag Dave

IDBI Bank Limited
224-A, Mittal Court
A-wing, Nariman Point
Mumbai, Maharashtra- 400 021
Telephone: 022 66588150
Email: Tushar.kamble@idbi.co.in
Website: ww.idbibank.in
Contact person: Tushar Satish Kamble

RBL Bank Limited
One World Center
6th floor, Tower 2B
841 Senapati Bapat Marg, Lower Parel
Mumbai, Maharashtra- 400 013
Telephone: +91 9322425768/ 022 6225 6357

State Bank of India
Industrial Finance Branch, Mumbai
B 202, 2nd floor
Parinee Crescenzo, Plot C 38 & 39
G Block, Bandra Kurla Complex
Bandra (east)

Email: amit.sodani@rblbank.com
Website: ww.rblbank.com
Contact person: Amit Sodani

Mumbai, Maharashtra- 400051
Telephone: +91 7400168596
Email: srikant.pradhan@sbi.co.in
Website: www.sbi.co.in
Contact person: Srikant Pradhan

Yes Bank Limited
Yes Bank Tower,
One International Centre, Tower II
15th floor, Senapati Bapat Marg
Elphinstone (W)
Mumbai, Maharashtra- 400013
Telephone: +91 8017238037
Email: priyanka.roy1@yesbank.in
Website: ww.yesbank.in
Contact person: Priyanka Roy

Grading of the Offer

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

Appraising Entity

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

Monitoring Agency

Our Company has appointed Axis Bank Limited as a monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 41(1) of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

Axis Bank Limited
Ground Floor
Maker Chamber IV
Nariman Point
Mumbai- 400 021, Maharashtra
Telephone: +91 022 43550721
Email: narimanpoint.branchead@axisbank.com
Website: www.axisbank.com
Contact person: Mohan Santhanam

Credit Rating

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

Debenture Trustee

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

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band was decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and was advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a Hindi national daily newspaper) and the Raigad edition of Krushival (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and was made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price was determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs after the Bid/Offer Closing Date.

All investors, other than Retail Individual Investors and Anchor Investors, have only participated through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount has been blocked by the SCSBs. Retail Individual Investors have participated through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount has been blocked by the SCSBs or using the UPI Mechanism. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors were not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors could revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors could not withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors was on a proportionate basis while allocation to Anchor Investors was on a discretionary basis. For further details, see "*Terms of the Offer*" and "*Offer Procedure*" beginning on pages 359 and 367, respectively.

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

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

For further details on the method and procedure for Bidding, see "*Offer Procedure*" beginning on page 367.

Underwriting Agreement

Our Company and the Promoter Selling Shareholder have entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated March 18, 2021. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(₹ in million)

Name, address, telephone and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
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: laxmi.ipo@axiscap.in	2,30,76,923	3,000.00
DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited) One BKC, Tower C, 15th Floor Unit No. 1511, Bandra Kurla Complex Bandra (East), Mumbai – 400 051. Telephone: +91 22 4202 2500 E-mail: laxmi.ipo@damcapital.in	2,30,76,823	2,999.99
Sharekhan Limited 10th Floor, Beta Building Lodha iThink Techno Campus	100	0.01

Name, address, telephone and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
Off Jogeshwari-Vikhroli Link Road Next to Kanjurmarg Railway Station Kanjurmarg (East)Mumbai 400 042 Tel: +91 (22) 6115 0000 E-mail: pravin@sharekhan.com, ipo@sharekhan.com		
Total	4,61,53,846	6,000.00

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

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our IPO Committee, at its meeting held on March 18, 2021, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

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

CAPITAL STRUCTURE

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

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**		
	305,000,000 Equity Shares	610,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	240,585,850 Equity Shares	481,171,700	-
C	**PRESENT OFFER IN TERMS OF THE RED HERRING PROSPECTUS**		
	Offer of 46,153,846* Equity Shares aggregating (1)(2) ^	92,307,692	5,999,999,980
	of which		
	Fresh Issue of 23,076,923* Equity Shares (1) ^	46,153,846	2,999,999,990
	Offer for Sale of 23,076,923* Equity Shares (2)	46,153,846	2,999,999,990
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER***		
	263,662,773 Equity Shares	527,325,546	-
E	**SECURITIES PREMIUM RESERVE**		
	Before the Offer	1,968,992,125	
	After the Offer	4,922,838,269*	

* *Subject to the finalization of the Basis of Allotment.*

^ *Our Company has, in consultation with the BRLMs, undertaken the Pre-IPO Placement. The size of the Fresh Issue was reduced from up to ₹ 5,000.00 million to ₹ 3,000.00 million and consequently, the size of the Offer was reduced from up to ₹ 8,000.00 million to ₹ 6,000.00 million.*

(1) *The Offer has been authorized by a resolution of our Board dated October 30, 2020 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated November 24, 2020.*

(2) *The Equity Shares being offered by the Promoter Selling Shareholder are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Yellow Stone Trust (through its trustee, Ravi Goenka) has consented to participate in the Offer for Sale pursuant to its consent letter dated December 15, 2020 and has consented to offer such number of Equity Shares aggregating up to ₹ 3,000.00 million in the Offer for Sale.*

For details of authorizations received for the Offer for Sale, see "*Other Regulatory and Statutory Disclosures*" beginning on page 350.

Changes in the authorised share capital of our Company

For details of the changes to the authorised share capital of our Company in the past 10 years, see "*History and Certain Corporate Matters-Amendments to our Memorandum of Association*" on page 187.

Notes to the Capital Structure

1. ***Equity Share Capital history of our Company***

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

Date of allotment	Reason/Nature of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face value (₹)	Issue price per equity share (₹)	Form of consideration
February 12, 1990#	Initial subscription to the MOA(1)	70	70	10	10	Cash

Date of allotment	Reason/Nature of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face value (₹)	Issue price per equity share (₹)	Form of consideration
February 12, 1990[#]	Further issue (2)	153,500	153,570	10	10	Cash
March 6, 1990[#]	Further issue (3)	72,950	226,520	10	10[##]	Cash
September 20, 1990[#]	Further issue(4)	430,890	657,410	10	10	Cash
March 27, 1991[#]	Further issue (5)	359,000	1,016,410	10	10	Cash
June 19, 1991[#]	Further issue (6)	339,000	1,355,410	10	10	Cash
November 27, 1991[#]	Further issue (7)	960,000	2,315,410	10	10	Cash
March 17, 1992[#]	Further issue (8)	120,000	2,435,410	10	10	Cash
April 22, 1992[#]	Further issue (9)	200,000	2,635,410	10	10	Cash
February 2, 1993[#]	Further issue (10)	250,000	2,885,410	10	10	Cash
September 15, 1994[#]	Further issue (11)	1,750,000	4,635,410	10	10[$$]	Cash
March 28, 2007	Rights issue in the ratio of 9 new equity shares for every 10 existing equity shares (12)	4,171,869	8,807,279	10	10[$$$]	Cash
October 9, 2009	Preferential allotment (13)	192,000	8,999,279	10	193	Cash
March 30, 2012	Preferential allotment (14)	1,005,802	10,005,081	10	472.26	Cash
July 20, 2016	Exercise of ESOP granted under ESOP-2014 (15)	4,000	10,009,081	10	10	Cash
January 30, 2019	Bonus issue in the ratio of four Equity Shares for every one Equity Share held (16)	40,036,324	50,045,405	10	Not applicable	Not applicable
January 1, 2020	Buyback of equity shares (17)	(5,029,010)	45,016,395	10	Not applicable	Not applicable
Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 45,016,395 equity shares of ₹ 10 each were sub-divided into 225,081,975 equity shares of face value of ₹ 2 each.						
February 27, 2021	Pre-IPO Placement(18)	10,077,519	235,159,494	2	129.00	Cash
March 1, 2021	Pre-IPO Placement(19)	5,426,356	240,585,850	2	129.00	Cash

[#] *We have been unable to trace filings with the RoC and corporate resolutions for these issuances and consequently, are unable to ascertain the nature of allotment (for allotments on February 12, 1990, March 6, 1990, September 20, 1990, March 27, 1991, June 19, 1991, November 27, 1991 March 17, 1992, April 22, 1992, February 2, 1993 and September 15, 1994) and the price at which the allotment was made (for the allotment made on March 6, 1990). Further, the names of allottees for some of these issuances have been determined on the basis of the register of members maintained by our Company and issue price for certain allotments have been ascertained from the audited balance sheet of the respective financial years. Also see, "Risk Factors – Certain documents filed by us with the RoC and RBI and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future and that that no dispute shall arise in the future in relation to these corporate records and documents" on page* 41.

[##] *Some of the equity shares allotted pursuant to such allotment were partly paid-up at the time of allotment. We have been unable to trace the corporate resolutions in relation to the capital calls made by the Board with respect to such equity shares and the date on which the Equity Shares were fully paid up by each Shareholder. Based on the audited balance sheet of the Company for Fiscal 1991, such equity shares were made fully paid-up as on March 31, 1991.*

[$$] *The Board through its resolution dated September 1, 1995 made a call for ₹ 2 per equity share of ₹ 10 each from the allottees requesting the allottees to make the payment of the call money on or before October 31, 1995. We have been unable to trace the corporate resolutions for further capital calls made by the Board in relation to such equity shares and the date on which the equity shares were made fully paid up by each Shareholder. Based on the audited balance sheet of the Company for Fiscal 1997, such equity shares were made fully paid-up as on March 31, 1997.*

[$$$] *The Board through its resolution dated October 1, 2011 made a call for ₹ 9 per equity share having face value of ₹ 10 each from the allottees requesting the allottees to make the payment of the call money on or before December 31, 2011. Accordingly, 4,171,869 equity shares of ₹ 10 each were made fully paid-up during Fiscal 2012 and were fully paid-up as on March 31, 2012.*

Please note that all references to equity shares in the notes below refer to allotments of equity shares of ₹ 10 each which were sub-divided into equity shares of ₹ 2 each pursuant to a resolution of the Shareholders of the Company dated November 24, 2020.

(1) *Allotment of 10 equity shares each to Vasudeo Goenka, Ravi Goenka, Rajeev Goenka, Desh Verma, Uma Shankar Modi, Manisha Goenka and Vimladevi Goenka pursuant to subscription to the MoA.*

(2) *Allotment of 50,000 equity shares to Warden Hyforce Private Limited, 95,000 equity shares to Telycom Industries Private Limited, 3,000 equity shares to Anil Lohia, 2,500 equity shares to Sudhir Lohia, 1,000 equity shares to Amita Lohia, 1,500 equity shares to Satyabhama Lohia, 100 equity shares each to Deokinandan Ruia jointly with Sandeep Ruia, Sandeep Ruia jointly with Deokinandan Ruia, Seema Ruia jointly with Sanjay Ruia, Sanjay Ruia jointly with Seema Ruia; and Pushpadevi Ruia jointly with Sandeep Ruia.*

(3) *Allotment of 14,990 equity shares to Vasudeo Goenka, 4,990 equity shares to Ravi Goenka, 6,990 equity shares to Rajeev Goenka, 30,990 equity shares to Manisha Goenka, 9,990 equity shares to Vimladevi Goenka and 5,000 equity shares to Telycom Industries Private Limited.*

(4) *Allotment of 4,010 equity shares to Manisha Goenka, 100,000 equity shares to India Products Trading Company Private Limited, 32,610 equity shares to Ravi Goenka, 7,500 equity shares to Satyabhama Lohia, 20,150 equity shares to Vasudeo Goenka, 13,500 equity shares to Mukut Gupta, 10,000 equity shares to Smash Trading and Finance Limited, 10,000 equity shares to Singal Brothers and Finance Limited, 3,000 equity shares to Nishi Boonlia, 6,000 equity shares to Shiv Kumar Mishra, 29,620 equity shares to Vimladevi Goenka, 10,000 equity shares to V.R Chowdhury, 1,500 equity shares to Kirit Boonlia, 13,000 equity shares to Govind Prasad Lohia, 4,000 equity shares to Narendra M. Goyal, 3,000 equity shares to Rajesh Lohia, 35,000 equity shares to Rajeev Goenka, 2,500 equity shares to Sudhir Lohia, 3,500 equity shares to Manju Gupta, 8,000 equity shares to Lalit Gupta, 5,000 equity shares to Meena V. Lohia, 5,000 equity shares to Vinod Lohia, 4,000 equity shares to Banwarilal Chowdhury and 100,000 equity shares to Desh Verma.*

(5) *Allotment of 20,000 equity shares to Desh Verma, 47,500 equity shares to Bharat C. Naik jointly with Purnima Naik, 10,000 equity shares to C.M. Naik jointly with Pratima Naik, 10,000 equity shares to C.M. Naik jointly with Radhika Mehta, 20,000 equity shares to C.M. Naik jointly with Bharat C. Naik, 1,500 equity shares to Kanaiyalal Kothari, 15,000 equity shares to Kailash C. Sharma, 15,000 equity shares to Savitri Sharma, 10,000 equity shares to Ridha Sharma, 10,000 equity shares to Anchal Sharma, 12,500 equity shares to Nilesh Ruparel, 12,500 equity shares to Lilavati Ruparel, 12,500 equity shares to Abhoybabu Ruparel, 12,500 equity shares to Damyanti Ruparel, 100,000 equity shares to Brijmohan Mishra and 50,000 equity shares to Suman Mishra*

(6) *Allotment of 2,500 equity shares to Sunil Lohia, 100,000 equity shares to Ramtech Industries Private Limited, 1,000 equity shares to Kanaiyalal Kothari, 150,000 equity shares to India Products Trading Company Private Limited, 1,000 equity shares to Hiramani Lohia, 4,000 equity shares to Vishwanath Lohia, 1,000 equity shares to Satyabhama Lohia, 10,000 equity shares to Gitadevi Modi, 50,000 equity shares to Overseas Packaging Industries Private Limited, 10,000 equity shares to Kaushal Kumar Modi and 9,500 equity shares to Modi Investments*

(7) *Allotment of 300,000 equity shares to IDBI Bank Limited, 150,000 equity shares to ICICI Bank Limited, 150,000 equity shares to IFCI Limited and 360,000 equity shares to Canara Bank Trustee – Canbank Mutual Fund*

(8) *Allotment of 60,000 equity shares to IDBI Bank Limited, 30,000 equity shares to IFCI Limited and 30,000 equity shares to ICICI Bank Limited.*

(9) *Allotment of 5,000 equity shares to Surajdevi Laddha, 5,000 equity shares to Jodh Raj Laddha, 10,000 equity shares to Jodh Raj Arun Kumar Laddha (HUF), 7,500 equity shares to Roop Chand Laddha, 2,500 equity shares to Ratan Lal Laddha, 2,500 equity shares to Arun Kumar Laddha, 2,500 equity shares to Manoj Kumar Laddha, 2,500 equity shares to Ajay Kumar Laddha, 100,000 equity shares to Ramtech Industries Private Limited, 2,500 equity shares to Sudhir Kumar Parikh, 2,500 equity shares to K.K. Agarwal, 2,500 equity shares to Sunil Kumar Parikh, 5,000 equity shares to Sanjay Kumar Laddha and 50,000 equity shares to Composit Enterprises Private Limited.*

(10) *Allotment of 250,000 equity shares to Ramtech Industries Private Limited*

(11) *Allotment of 70,000 equity shares to Vasudeo Goenka, 125,000 equity shares to Ravi Goenka (HUF), 635,000 equity shares each to Ravi Goenka and Rajeev Goenka and 285,000 equity shares to Manisha Goenka.*

(12) *Allotment of 752,069 equity shares to V.D. Goenka, 250,000 equity shares to Brady Investments Private Limited, 270,400 equity shares to Ravi Goenka, 200,000 equity shares to Ravi Goenka (HUF), 185,000 equity shares to Harshvardhan Goenka, 370,000 equity shares to Niharika Goenka, 320,400 equity shares to Rajeev Goenka, 720,000 equity shares to Avantika Goenka, 345,000 equity shares to Manisha Goenka, 125,000 equity shares to Vimladevi Goenka, 310,000 equity shares to Aditi Goenka and 324,000 equity shares to Industrial Development Bank of India Limited.*

(13) *Allotment of 192,000 equity shares to Hansa K. Agarwal and Kailash K. Agarwal*

(14) *Allotment of 1,005,802 equity shares to International Finance Corporation ("**IFC**").*

(15) *Allotment of 4,000 equity shares to Arun Keshav Dudhane.*

(16) *Allotment of 752,000 equity shares to Brady Investments Private Limited, 4,023,308 equity shares to International Finance Corporation, 150,000 equity shares to Aryavrat Goenka, 400 equity shares to Deokinandan Ruia jointly with Mr. Sandeep Ruia, 40,040 equity shares to Desh Verma, 20 equity shares to Harshvardhan Goenka, 77,020 equity shares to Rajeev Goenka, 25,020 equity shares to Ravi Goenka, 400 equity shares to Sandeep Ruia jointly with Deokinandan Ruia, 400 equity shares to Sanjay Ruia jointly with Seema Ruia, 20 equity shares to Vasudeo Goenka, 46,000 equity shares to Vishwas Kunte, 40,000 equity shares to Vishwas Kunte jointly with Aparna V. Kunte, 20 equity shares to Aditi Goenka, 768,000 equity shares to Hansa K. Agarwal jointly with Kailash K. Agarwal, 20 equity shares to Manisha Goenka, 400 equity shares to Pushpadevi Ruia jointly with Sandeep Ruia, 400 equity shares to Seema Ruia jointly with Sanjay Ruia, 200,000 equity shares to Suman Mishra , 20 equity shares to Niharika Goenka, 1,700,000 equity shares to Ravi Goenka (HUF), 8,000 equity shares to Vibha Bhandari, 10,000 equity shares to Satwik Mishra 10,000 equity shares to Sukruti Mishra, 10,000 equity shares to Satyakam Mishra, 10,000 equity shares to Meenu Satyakam Mishra, 16,000 equity shares to Arun Keshav Dudhane, 40 equity shares to Uma Shankar Modi and 32,148,896 equity shares to Yellow Stone Trust (through its trustee, Ravi Goenka).*

(17) *Buyback of 5,029,010 equity shares at a price of ₹ 163.08 per equity share, from the existing Shareholders of the Company through tender offer on a proportionate basis, wherein IFC tendered the equity shares held by it.*

(18) *Allotment of 3,100,775 Equity Shares to IIFL Special Opportunities Fund – Series 7; 387,598 Equity Shares to One Up Financial Consultants Pvt Ltd, 2,713,178 Equity Shares to Ashoka India Equity Investment Trust PLC, 3,255,814 Equity Shares to Malabar India Fund and 620,154 Equity Shares to Malabar Value Fund.*

(19) *Allotment of 1,094,319 Equity Shares to GMO Emerging Domestic Opportunities Fund; 2,403,100 Equity Shares to IIFL Special Opportunities Fund – Series 7; 387,595 Equity Shares to One Up Financial Consultants Pvt Ltd; 968,992 Equity Shares to Malabar India Fund; 193,799 Equity Shares to Malabar Value Fund and 378,551 Equity Shares to Nishant Agarwal.*

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

Date of allotment	Reason/Nature of Allotment	No. of equity shares Allotted	Face Value (₹)	Issue price per equity share (₹)	Form of consideration
January 30, 2019	Bonus issue in the ratio of four Equity Shares for every one Equity Share held [(1)]	40,036,324	10	Not applicable	Not applicable

(1) Allotment of 752,000 equity shares to Brady Investments Private Limited, 4,023,308 equity shares to International Finance Corporation, 150,000 equity shares to Aryavrat Goenka, 400 equity shares to Deokinandan Ruia and Mr. Sandeep Ruia, 40,040 equity shares to Desh Verma, 20 equity shares to Harshvardhan Goenka, 77,020 equity shares to Rajeev Goenka, 25,020 equity shares to Ravi V. Goenka, 400 equity shares to Sandeep Ruia and Deokinandan Ruia, 400 equity shares to Sanjay Ruia and Seema Ruia, 20 equity shares to Vasudeo N. Goenka, 46,000 equity shares to Vishwas Kunte, 40,000 equity shares to Vishwas Kunte and Aparna V. Kunte, 20 equity shares to Aditi Goenka, 768,000 equity shares to Hansa K. Agarwal and Kailash K. Agarwal, 20 equity shares to Manisha Goenka, 400 equity shares to Pushpadevi Ruia and Sandeep Ruia, 400 equity shares to Seema Ruia and Sanjay Ruia, 200,000 equity shares to Suman Mishra , 20 equity shares to Niharika Goenka, 1,700,000 equity shares to Ravi Goenka (HUF), 8,000 equity shares to Vibha Bhandari, 10,000 equity shares to Satwik Mishra 10,000 equity shares to Sukruti Mishra, 10,000 equity shares to Satyakam Mishra, 10,000 equity shares to Meenu Satyakam Mishra, 16,000 equity shares to Arun Keshav Dudhane, 40 equity shares to Uma Shankar Modi and 32,148,896 equity shares to Yellow Stone Trust (through its trustee, Ravi Goenka).

3. Our Company has not issued any Equity Shares or preference shares out of its revaluation reserves at any time since incorporation.

4. As on the date of this Prospectus, our Company does not have outstanding preference shares.

5. Our Company has not issued or allotted any Equity Shares pursuant to schemes of amalgamation approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-232 of the Companies Act, 2013.

6. All transactions in Equity Shares by our Promoters and members of our Promoter group between the date of filing of the Draft Red Herring Prospectus and the date of closing of the Offer were reported to the Stock Exchanges within 24 hours of such transactions.

7. The Offer Price has been determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs after the Bid/Offer Closing Date. Except the Pre-IPO Placement, our Company has not issued any Equity Shares at a price which is lower than the Offer Price, during a period of one year preceding the date of this Prospectus.

8. ***Shareholding Pattern of our Company***

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

Category (I)	**Category of shareholder (II)**	**Number of shareholders (III)**	**Number of fully paid up equity shares held (IV)**	**Number of Partly paid-up equity shares held (V)**	**Number of shares underlying Depository Receipts (VI)**	**Total number of shares held (VII) =(IV)+(V)+ (VI)**	**Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)**	**Number of Voting Rights held in each class of securities (IX)**				**Number of shares Underlying Outstanding convertible securities (including Warrants) (X)**	**Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)**	**Number of Locked in shares (XII)**		**Number of Shares pledged or otherwise encumbered (XIII)**		**Number of equity shares held in dematerialized form (XIV)**
								Number of Voting Rights			**Total as a % of (A+B+ C)**			**Number (a)**	**As a % of total Shares held (b)**	**Number (a)**	**As a % of total Shares held (b)**	
								Class eg: Equity Shares	**Class eg: Others**	**Total**								
(A)	Promoter and Promoter Group	9	215,339,729	-	-	215,339,729	89.51	215,339,729	-	215,339,729	89.51	-	89.51	-	-	-	-	215,339,729
(B)	Public	88	25,246,121	-	-	25,246,121	10.49	25,246,121	-	25,246,121	10.49	-	10.49	-	-	-	-	25,246,121
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	97	240,585,850	-	-	240,585,850	**100.00**	240,585,850	-	240,585,850	**100.00**	-	**100.00**	-	-	-	-	240,585,850

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

(a) As on the date of the filing of this Prospectus, our Company has 97 Shareholders.

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as on the date of filing of this Prospectus (excluding options which have been granted but not vested pursuant to ESOP-2020):

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Yellow Stone Trust (through its trustee, Ravi Goenka)	199,781,907	83.04
2.	Manisha Goenka	10,163,387	4.22
3.	IIFL Special Opportunities Fund – Series 7	5,503,875	2.29
4.	Nishant Agarwal	5,178,551	2.15
5.	Brady Investments Private Limited	4,700,000	1.95
6.	Malabar India Fund	4,224,806	1.76
7.	Ashoka India Equity Investment Trust PLC	2,713,178	1.13
	Total	**232,265,704**	**96.54**

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of filing of this Prospectus (excluding options which have been granted but not vested pursuant to ESOP-2020):

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Yellow Stone Trust (through its trustee, Ravi Goenka)	199,781,907	83.04
2.	Manisha Goenka	10,163,387	4.22
3.	IIFL Special Opportunities Fund – Series 7	5,503,875	2.29
4.	Nishant Agarwal	5,178,551	2.15
5.	Brady Investments Private Limited	4,700,000	1.95
6.	Malabar India Fund	4,224,806	1.76
7.	Ashoka India Equity Investment Trust PLC	2,713,178	1.12
	Total	**232,265,704**	**96.53**

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

No.	Name of the Shareholder	No. of equity shares of face value of ₹ 10 each*	Percentage of the equity share capital (%)*
1.	Yellow Stone Trust (through its trustee, Ravi Goenka)	40,186,120	89.27
2.	Ravi Goenka (HUF)	2,125,000	4.72
3.	Hansa K. Agarwal jointly with Kailash K. Agarwal	960,000	2.13
4.	Brady Investments Private Limited	940,000	2.09
	Total	**44,211,120**	**98.21**

Total number of equity shares and percentage of such shareholding is without giving effect to the increase in the number of equity shares due to subdivision of share capital of our Company with effect from November 24, 2020.

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

No.	Name of the Shareholder	No. of equity shares of face value of ₹ 10 each*	Percentage of the equity share capital (%)*
1.	Yellow Stone Trust (through its trustee, Ravi Goenka)	40,186,120	80.30
2.	International Finance Corporation	5,029,010	10.05
3.	Ravi Goenka (HUF)	2,125,000	4.25
4.	Hansa K. Agarwal jointly with Kailash K. Agarwal	960,000	1.92
5.	Brady Investments Private Limited	940,000	1.88
	Total	**49,240,130**	**98.39**

Total number of equity shares and percentage of such shareholding is without giving effect to the increase in the number of equity shares due to subdivision of share capital of our Company with effect from November 24, 2020.

10. Except for Equity Shares or employee stock options that may be allotted pursuant to the Laxmi – Employee Stock Option Plan 2020, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

11. Except for Equity Shares or employee stock options that may be allotted or granted pursuant to the Laxmi – Employee Stock Option Plan 2020, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Prospectus.

ESOP-2014 (Past employee stock option scheme)

Our Company formulated an employee stock option scheme titled Employees Stock Options Scheme (ESOP-14) ("**ESOP-2014**"). ESOP-2014 was approved by the shareholders of the Company pursuant to a resolution passed at the EGM dated January 9, 2015. All the options granted under ESOP-2014 have either vested and exercised and consequently this employee stock option scheme was closed and such closure of ESOP-2014 was noted by the Board in its resolution dated October 30, 2020. No options were granted or equity shares were issued under ESOP-2014, in the preceding three years.

Details of options granted and equity shares issued, on a cumulative basis for all options granted or equity shares issued prior to the date of this Prospectus pursuant to ESOP-2014 are as follows:

Particulars	Number of options
Total number of options authorized for issuance	Up to 100,000 options exercisable into up to 100,000 equity shares of ₹ 10 each
Total number of options granted	4,000 options
Total number of options vested	4,000 options
Total number of options exercised and equity shares issued	4,000 options into 4,000 equity shares of ₹ 10 each allotted on July 20, 2016
Total number of options cancelled / lapsed / forfeited	96,000 options
Total number of options outstanding	**Nil**

Laxmi - Employee Stock Option Plan -2020 (Active employee stock option scheme)

Pursuant to the resolutions passed by our Board on October 30, 2020 and by our Shareholders on November 24, 2020, our Company approved the Laxmi – Employee Stock Option Plan 2020 ("**ESOP-2020**") for issue of employee stock options ("**ESOPs**") or thank you grants or restricted stock units ("**RSUs**") to eligible employees up to 6,750,000 options, which may result in issue of not more than 6,750,000 Equity Shares. The primary objective of ESOP-2020 is to reward the employees and to retain and motivate the employees of the

Company and its Subsidiaries, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The ESOP-2020 is in compliance with the SEBI SBEB Regulations.

Our Nomination and Remuneration Committee had on January 27, 2021 granted 5,690,467 options (comprising of 4,245,540 employee stock options, 1,143,263 RSUs and 301,664 thank you grants) to eligible employees pursuant to the ESOP-2020. As of the date of this Prospectus, no Equity Shares have been issued pursuant to the ESOP-2020.

Details with respect to the options granted pursuant to the ESOP-2020, as certified by Natvarlal Vepari & Co., Chartered Accountants, *vide* their certificate dated March 4, 2021, are set forth below:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td><table>
<tr><th>Option Type</th><th>No of Options</th></tr>
<tr><td>ESOPs</td><td>4,245,540</td></tr>
<tr><td>RSUs</td><td>1,143,263</td></tr>
<tr><td>Thank you grants</td><td>301,664</td></tr>
<tr><td>Total</td><td>5,690,467</td></tr>
</table></td></tr>
<tr><td>Options vested</td><td>Nil</td></tr>
<tr><td>Options exercised</td><td>Nil</td></tr>
<tr><td>Exercise price</td><td><table>
<tr><th>Option Type</th><th>Exercise Price per Option (in ₹)</th></tr>
<tr><td>ESOPs</td><td>100</td></tr>
<tr><td>RSUs</td><td>2</td></tr>
<tr><td>Thank you grants</td><td>2</td></tr>
</table></td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>5,690,467</td></tr>
<tr><td>Options lapsed</td><td>Nil</td></tr>
<tr><td>Variation of terms of options</td><td>There has been no change in the terms of the options granted under the ESOP-2020 since its institution.</td></tr>
<tr><td>Money realized by exercise of options</td><td>Nil</td></tr>
<tr><td>Total number of options in force</td><td>5,690,467</td></tr>
<tr><td>Employee wise details of options granted to:</td><td></td></tr>
<tr><td>(I) Key Managerial Personnel</td><td><table>
<tr><th>Name of Key Managerial Personnel</th><th>Options Granted during Fiscal 2021</th></tr>
<tr><td>Satej Nabar</td><td>1,093,098</td></tr>
<tr><td>Sruti Bora</td><td>689,720</td></tr>
<tr><td>Partha Roy Chowdhury</td><td>689,444</td></tr>
<tr><td>TCN Sai Krishnan</td><td>572,039</td></tr>
<tr><td>Jitendra Agarwal</td><td>420,752</td></tr>
<tr><td>B.P. Pant</td><td>259,036</td></tr>
<tr><td>Virag Shah</td><td>212,315</td></tr>
<tr><td>Aniket Hirpara</td><td>92,784</td></tr>
<tr><td>Dr. Ajay Audi</td><td>220,622</td></tr>
</table></td></tr>
<tr><td>(II) Any other Employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td><table>
<tr><th>Name of employee</th><th>Options Granted</th><th>% of total options granted during Fiscal 2021</th></tr>
<tr><td>Satej Nabar</td><td>1,093,098</td><td>19.21%</td></tr>
<tr><td>Partha Roy Choudhary</td><td>689,444</td><td>12.12%</td></tr>
<tr><td>Sruti Bora</td><td>689,720</td><td>12.12%</td></tr>
<tr><td>TCN Sai Krishnan</td><td>572,039</td><td>10.05%</td></tr>
<tr><td>Jitendra Agarwal</td><td>420,752</td><td>7.39%</td></tr>
</table></td></tr>
<tr><td>(III) Identified Employees who</td><td>Nil</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td></td></tr>
<tr><td>Diluted Earnings per Share pursuant to the issue of Equity Shares on exercise of options in accordance with applicable accounting standard on ‘Earnings per share’</td><td>Not applicable since options were granted on January 27, 2021.</td></tr>
<tr><td>Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, difference, between employee compensation cost so computed and the employee compensation cost that shall have been recognised if it has used the fair value of the options and the impact of this difference on profits and on the Earnings Per Share of the Company</td><td>Not applicable.</td></tr>
<tr><td>Description of the pricing formula and the method and the significant assumptions used during the year to estimate the fair value of options including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option</td><td>The following method and assumptions were used for computing the fair value:

The Black Scholes valuation model has been used for computing the fair value for the options:

<table>
<tr><th colspan="2">Option 1 – Exercise Price of ₹ 100 per Equity Share</th></tr>
<tr><td>Fair Value (S0)</td><td>125</td></tr>
<tr><td>Exercise (Strike) Price (K)</td><td>100</td></tr>
<tr><td>Time to Maturity (in years) (t)</td><td>7</td></tr>
<tr><td>Annual Risk-Free Rate (r)</td><td>6.12%</td></tr>
<tr><td>Annualized Volatility (σ)</td><td>41%</td></tr>
<tr><td>Dividend Yield % (y)</td><td>0.3%</td></tr>
<tr><td>Option Value</td><td>73.12</td></tr>
</table>

<table>
<tr><th colspan="2">Option 2 – Exercise Price of ₹ 2 per Equity Share</th></tr>
<tr><td>Fair Value (S0)</td><td>125</td></tr>
<tr><td>Exercise (Strike) Price (K)</td><td>2</td></tr>
<tr><td>Time to Maturity (in years) (t)</td><td>7</td></tr>
<tr><td>Annual Risk-Free Rate (r)</td><td>6.12%</td></tr>
<tr><td>Annualized Volatility (σ)</td><td>41%</td></tr>
<tr><td>Dividend Yield % (y)</td><td>0.3%</td></tr>
<tr><td>Option Value</td><td>121.48</td></tr>
</table></td></tr>
<tr><td>Impact on the profits and on the Earnings Per Share of the last three years if the Company had followed the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of options granted in the last three years.</td><td>Not applicable since options were granted on January 27, 2021.</td></tr>
<tr><td>Intention of the key managerial personnel and whole-time directors who are holders of equity shares allotted on exercise of options under ESOP-2020, to sell their equity shares within three months after the date of listing of the equity shares in</td><td>Not applicable</td></tr>
</table>

Particulars	Details
the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options) if any, this information shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the Offer	
Intention to sell Equity Shares arising out of ESOP-2020 within three months after the date of listing, by Directors, senior managerial personnel and employees having equity shares issued under the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) which inter alia shall include name, designation and quantum of the equity shares issued under ESOP-2020 and the quantum they intend to sell within three months	Not applicable
Employee wise details of shares issued to:	
(I) Key Managerial Personnel	Nil
(II) any other employee is issued shares in any one year amounting to 5% or more Equity Shares issued during that year	Nil
(iii) identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the Company at the time of issuance	Nil
Diluted earnings per share pursuant to issuance of Equity Shares under ESOP-2020	Not applicable
Consideration received against the issuance of Equity Shares	Nil

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

- As on the date of this Prospectus, our Promoters hold 199,938,282 Equity Shares, equivalent to 83.10 % of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

S. N.	Name of the Shareholder	Pre-Offer Equity Share capital		Post-Offer Equity Share capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	Ravi Goenka	156,375	0.06	156,375	0.06
2.	Yellow Stone Trust (through its trustee, Ravi Goenka)	199,781,907	83.04	176,704,984	67.02
	Total	**199,938,282**	83.10	176,861,359	67.08

** Subject to finalisation of Basis of Allotment*

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

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

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

Nature of transaction	Date of allotment/ Transfer / Transmission	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)*
Ravi Goenka						
Subscription to MoA	February 12, 1990	10	10	10	*Negligible*	*Negligible*
Further issue	March 6, 1990#	4,990	10	10##	0.01	0.01
Further issue	September 20, 1990#	32,610	10	10	0.07	0.06
Transfer from Bharat Naik jointly with Purnima Naik	March 17, 1992	7,500	10	-**	0.02	0.01
Transfer from Sudhir Lohia	December 2, 1992	5,000	10	-**	0.01	0.01
Further issue	September 15, 1994#	635,000	10	10$$	1.32	1.20
Transfer from Ramtech Industries Private Limited	September 1, 1995	50,000	10	-**	0.10	0.01
Rights issue in the ratio of 9 new equity shares for every 10 existing equity shares	March 28, 2007	270,400	10	10$$$	0.56	0.51
Transfer from Kailash C. Sharma	September 19, 2007	15,000	10	-**	0.03	0.03
Transfer from Harshvardhan Goenka as a gift	September 19, 2007	12,500	10	Not applicable	0.03	0.02
Transfer from Ridha Sharma	September 19, 2007	10,000	10	-**	0.02	0.02
Transfer from ICICI Trusteeship Services Limited	March 31, 2010	72,000	10	44**	0.15	0.14
Transfer from IFCI Limited	October 1, 2010	72,000	10	40**	0.15	0.14
Transfer from IFCI Limited	October 1, 2010	64,800	10	4%%	0.13	0.12
Transfer from IDBI Bank Limited	June 30, 2011	147,700	10	51**	0.31	0.30
Transfer from Vasudeo Goenka as a gift	July 8, 2016	790,213	10	Not applicable	1.64	1.50
Transfer from Rajeev Goenka as a gift	July 8, 2016	1,300,000	10	Not applicable	2.70	2.50
Transfer from Rajeev Goenka as a gift	March 21, 2017	223,567	10	Not applicable	0.46	0.42

Nature of transaction	Date of allotment/ Transfer / Transmission	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)*
Transfer from Rajeev Goenka as a gift	March 21, 2017	94,250	10	Not applicable	0.20	0.18
Transfer from Rajeev Goenka as a gift	January 6, 2018	33,500	10	Not applicable	0.07	0.06
Transfer from Manisha Goenka as a gift	January 29, 2018	788,005	10	Not applicable	1.64	1.50
Transfer from Niharika Goenka as a gift	January 29, 2018	469,995	10	Not applicable	0.98	0.90
Transfer from Harshvardhan Goenka as a gift	January 29, 2018	380,995	10	Not applicable	0.79	0.72
Transfer to Yellow Stone Trust (through its trustee, Ravi Goenka) as a gift	January 30, 2018	(5,480,030)	10	Not applicable	(11.39)	(10.40)
Transmission from Nilesh Ruparel	April 1, 2019	6,250	10	Not applicable	0.01	0.01
Bonus issue in the ratio of four Equity Shares for every one Equity Share held	January 30, 2019	25,020	10	Not applicable	0.05	0.05
Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 31,275 equity shares of ₹ 10 each held by Ravi Goenka were sub-divided into 156,375 equity shares of face value of ₹ 2 each. The percentage of shareholding above is without giving effect to the increase in the number of equity shares due to sub-division of share capital of our Company approved by the shareholders on November 24, 2020.						
Total		**156,375**			**0.06**	**0.06**
Yellow Stone Trust						
Transfer from Vasudeo Goenka as a gift	January 30, 2018	895,521	10	Not applicable	1.86	1.70
Transfer from Ravi Goenka as a gift	January 30, 2018	5,480,030	10	Not applicable	11.39	10.40
Transfer from Rajeev Goenka as a gift	January 31, 2018	1,661,673	10	Not applicable	3.45	3.15
Bonus issue in the ratio of four Equity Shares for every one Equity Share held	January 30, 2019	32,148,896	10	Not applicable	66.81	61.00
Transfer to Ramesh Bakshi jointly with	November 26, 2020	(4,505)	10	222	(0.01)	(0.01)

Nature of transaction	Date of allotment/ Transfer / Transmission	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)*
Jyotsna Ramesh Bakshi						
Transfer to Arun Keshav Dudhane	November 26, 2020	(11,262)	10	222	(0.02)	(0.02)
Transfer to Prashant Sarawgi HUF	November 26, 2020	(11,262)	10	222	(0.02)	(0.02)
Transfer to O.V. Bundellu jointly with Sunita O. Bundellu	November 26, 2020	(11,262)	10	222	(0.02)	(0.02)
Transfer to Jupiter Trust (held through its trustees)	November 26, 2020	(45,046)	10	222	(0.09)	(0.09)
Transfer to Jigar Zeverchand Shah jointly with Jitendra S. Shah	November 27, 2020	(4,505)	10	222	(0.01)	(0.01)
Transfer to Govind Vaidiram Iyer	November 27, 2020	(22,523)	10	222	(0.05)	(0.04)
Transfer to Girdharlal Thakersidas Poddar jointly with Snehlata Poddar	November 27, 2020	(11,262)	10	222	(0.02)	(0.02)
Transfer to Shravan Sharma jointly with Nidhi Shravan Sharma	November 27, 2020	(22,523)	10	222	(0.05)	(0.04)
Transfer to Gautam Bhansali	November 27, 2020	(11,262)	10	222	(0.02)	(0.02)
Transfer to Nita Lunker	November 27, 2020	(11,262)	10	222	(0.02)	(0.02)
Transfer to Jyeshtharaj Bhalchandra Joshi	November 27, 2020	(11,262)	10	222	(0.02)	(0.02)
Transfer to Sulochana Hattikuduru	November 27, 2020	(2,253)	10	222	*(Negligible)*	*(Negligible)*
Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 40,005,931 equity shares of ₹ 10 each held by Yellow Stone Trust were sub-divided into 200,029,655 equity shares of face value of ₹ 2 each. Such sub-division was reflected in the demat account of Yellow Stone Trust on December 3, 2020. The percentage of shareholding above is without giving effect to the increase in the number of equity shares due to sub-division of share capital of our Company approved by the shareholders on November 24, 2020.						

Nature of transaction	Date of allotment/ Transfer / Transmission	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)*
Transfer from Jupiter Trust (held through its trustees)	December 10, 2020	225,230	2	44.40	0.09	0.08
Transfer to Manish Chokhani	December 11, 2020	(225,230)	2	44.40	(0.09)	(0.08)
Transfer to Shravan Sharma	February 18, 2021	(247,748)	2	44.40	(0.10)	(0.09)
Total		**199,781,907**			**83.04**	**67.02***

Subject to finalisation of Basis of Allotment. The post-Offer shareholding of Yellow Stone Trust is after deduction of the Offered Shares.

#*We have been unable to trace filings with the RoC and corporate resolutions for these issuances and consequently, are unable to ascertain the nature of allotment (for allotments on February 12, 1990, March 6, 1990, September 20, 1990 March 27, 1991, June 19, 1991, November 27, 1991 March 17, 1992, April 22, 1992, February 2, 1993 and September 15, 1994) and the price at which the allotment was made (for the allotment made on March 6, 1990). Further, the names of allottees for some of these issuances have been determined on the basis of the register of members maintained by our Company and issue price for certain allotments have been ascertained from the audit balance sheet of the respective financial years. Also see, "Risk Factors – Certain documents filed by us with the RoC and RBI and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future and that that no dispute shall arise in the future in relation to these corporate records and documents" on page 41.*

Some of the equity shares allotted pursuant to such allotment were partly paid-up at the time of allotment. We have been unable to trace the corporate resolutions in relation to the capital calls made by the Board with respect to such equity shares and the date on which the Equity Shares were fully paid up by each Shareholder. Based on the audited balance sheet of the Company for Fiscal 1991, such equity shares were made fully paid-up as on March 31, 1991.

$$*The Board through its resolution dated September 1, 1995 made a call for ₹ 2 per equity share of ₹ 10 each from the allottees requesting the allottees to make the payment of the call money on or before October 31, 1995. We have been unable to trace the corporate resolutions for further capital calls made by the Board in relation to such equity shares and the date on which the equity shares were made fully paid up by each Shareholder. Based on the audited balance sheet of the Company for Fiscal 1997, such equity shares were made fully paid-up as on March 31, 1997.*

$$$*The Board through its resolution dated October 1, 2011 made a call for ₹ 9 per equity share of ₹ 10 each from the allottees requesting the allottees to make the payment of the call money on or before December 31, 2011. Accordingly, 4,171,869 Equity Shares were made fully paid-up during Fiscal 2012 and were fully paid-up as on March 31, 2012.*

***We have been unable to ascertain the acquisition/transfer price and nature of consideration for these transfers due to non-availability of transfer deeds. Further, we have relied on the bank statements of the individual Promoter with respect to the price of certain transfers. See the aforementioned risk factor cited above.*

%%-*Such shares were partly paid up (paid up to the extent of ₹ 1 per equity share having face value of ₹ 10 each) at the time of the transfer to Ravi Goenka and were made fully paid up during Fiscal 2012 and were paid-up as on March 31, 2012.*

- Except as disclosed above under "*Build-up of the Promoters' shareholding in our Company*", all the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged.
- The details of the shareholding of the members of the Promoter Group (other than our Promoters) as on the date of filing of this Prospectus are set forth in the table below.

S. N.	Name of the Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1.	Vasudeo Goenka	125	*Negligible*	125	*Negligible*
2.	Rajeev Goenka	481,375	0.20	481,375	0.18
3.	Harshvardhan Goenka	125	*Negligible*	125	*Negligible*
4.	Manisha Goenka	10,163,387	4.22	10,163,387	3.85
5.	Niharika Goenka	125	*Negligible*	125	*Negligible*
6.	Brady Investments Private Limited	4,700,000	1.95	4,700,000	1.78
7.	Prashant Sarawgi HUF	56,310	0.02	56,310	0.02
	Total	**15,401,447**	**6.40**	**15,401,447**	**5.84**

* *Subject to finalisation of Basis of Allotment.*

- Except as stated below and Yellow Stone Trust (through its trustee, Ravi Goenka) which has transferred and received equity shares of our Company as set forth in **"***Capital Structure - Build-up of the Promoters' shareholding in our Company",* none of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Prospectus:
  - (i) 10,625,000 Equity Shares held by Ravi Goenka (HUF) were transferred to Manisha Goenka on February 18, 2021 pursuant to the deed of complete partition dated February 18, 2021 ("**Partition Deed**") pursuant to which the Ravi Goenka (HUF) was dissolved, and the assets held by the Ravi Goenka (HUF) were divided among its coparceners/members in terms of the Partition Deed.
  - (ii) One of the members of our Promoter Group, Manisha Goenka has transferred an aggregate of 461,738 Equity Shares on February 24, 2021 and February 25, 2021 to certain transferees.
- There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

13. ***Details of Promoters' contribution and lock-in for three years***

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

(ii) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoters' Contribution are set forth in the table below.

Name of the Promoter	Date of allotment of the Equity Shares	Nature of transaction	No. of Equity Shares**	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in*	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
Yellow Stone Trust	January 30, 2018	Transfer from Ravi Goenka as a gift	5,480,030	10	Not applicable	1,485,381	2.82	March 23, 2024
	January 31, 2018	Transfer from Rajeev Goenka as a gift	1,661,673	10		1,661,673	3.15	
	January 30, 2019	Bonus issue in the ratio of four Equity Shares for every one Equity Share held	32,148,896	10		7,399,458	14.03	
Total						10,546,512**	20	
Total (Pursuant to sub-division)* **						52,732,560	20	

** Subject to finalisation of Basis of Allotment.*
*** All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.*
**** Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 10,546,512 equity shares of ₹ 10 each held by Yellow Stone Trust were sub-divided into 52,732,560 equity shares of face value of ₹ 2 each.*

(iii) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company (calculated in terms of Regulation 14 of the SEBI ICDR Regulations) as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

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

- The Equity Shares offered for Promoters' Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

- The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

- Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Prospectus pursuant to conversion from a partnership firm; and

- The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge.

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

In addition to the 20% of the fully diluted post-Offer shareholding of our Company (calculated in terms of Regulation 14 of the SEBI ICDR Regulations) held by the Promoters and locked in for three years as specified above and Equity Shares offered by the Promoter Selling Shareholder as part of the Offer for Sale, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations provided that 5,503,875 Equity Shares held by IIFL Special Opportunities Fund – Series 7 shall be locked in for a period of at least one year from the date of purchase by IIFL Special Opportunities Fund – Series 7.

15. ***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.

16. ***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.

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

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

(a) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(b) With respect to the Equity Shares locked-in as Promoters' Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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

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

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

18. Our Company, the Promoter Selling Shareholder, the Promoters, the Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
19. None of the Directors or Key Managerial Personnel of our Company, except Ravi Goenka, Rajeev Goenka, Manish Chokhani, O.V. Bundellu and Harshvardhan Goenka hold any Equity Shares in our Company. For details, see *"Our Management-Shareholding of Directors in our Company"* on page 206. Further, our Executive Director and Chief Executive Officer, Satej Nabar, and certain Key Managerial Personnel have been granted options under ESOP-2020. Please see *"Capital Structure -Laxmi - Employee Stock Option Plan -2020 (Active employee stock option scheme)*" on page 89.
20. 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 Prospectus**.**
21. As on the date of this Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
22. Except for Yellow Stone Trust (through its trustee, Ravi Goenka), who is offering Equity Shares in the Offer for Sale, none of our other Promoters or members of our Promoter Group will participate in the Offer.
23. Except for the Fresh Issue and allotment of Equity Shares upon any exercise of options vested pursuant to ESOP-2020, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

SECTION V – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

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

Offer for Sale

The proceeds of the Offer for Sale shall be received by the Promoter Selling Shareholder. Our Company will not receive any proceeds from the Offer for Sale. The Promoter Selling Shareholder will be entitled to the proceeds from the Offer for Sale, net of its portion of the Offer related expenses. For further details, please see *"Objects of the Offer -Offer Expenses*" on page 122.

Fresh Issue

Our Company proposes to utilise the net proceeds of the Fresh Issue, i.e. gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue and the Pre-IPO Placement and the proceeds from the Pre-IPO Placement ("**Net Proceeds**") towards funding the following objects:

1. Investment in our wholly owned Subsidiary, Yellowstone Fine Chemicals Private Limited ("**YFCPL**") for part-financing its capital expenditure requirements in relation to the setting up of a manufacturing facility for fluorospecialty chemicals ("**Proposed Facility**");
2. Investment in YFCPL for funding its working capital requirements;
3. Funding capital expenditure requirements for expansion of our SI Manufacturing Facility ("**Proposed Expansion**");
4. Funding working capital requirements of our Company;
5. Purchase of plant and machinery for augmenting infrastructure development at our SI Manufacturing Facility;
6. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and our wholly owned Subsidiary, Viva Lifesciences Private Limited ("**VLPL**"); and
7. General corporate purposes (collectively, referred to herein as the "**Objects**").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company's visibility and brand image and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities proposed to be funded from the Net Proceeds.

Net Proceeds

The details of the Net Proceeds are summarised in the table below:

(₹ in million)

Particulars	Amount
Gross proceeds from the Fresh Issue together with the proceeds from the Pre-IPO Placement(1)	5,000.00
(Less) Fresh Issue and Pre-IPO Placement related expenses (2)	200.06
Net Proceeds(2)	**4,799.94**

(1) *Our Company has, in consultation with the BRLMs, undertaken a Pre-IPO Placement of 15,503,875 Equity Shares aggregating to ₹ 2,000.00 million. The size of the Fresh Issue, as disclosed in the Draft Red Herring Prospectus, was reduced by ₹ 2,000.00 million after adjustment for the Pre-IPO Placement i.e. from up to ₹ 5,000.00 million to ₹ 3,000.00 million and consequently, the Offer Size was reduced from up to ₹ 8,000.00 million to ₹ 6,000.00 million. For further details on the Pre-IPO Placement, see "Capital Structure" on page 83.*

(2) *Subject to finalisation of the Basis of Allotment .*

Utilization of Net Proceeds and Schedule of Deployment

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

(₹ in million)

Particulars	Total Estimated Cost	Amount already deployed as on January 31, 2021	Amount which will be financed from Net Proceeds[(1)]	Estimated Utilisation of Net Proceeds		
				Fiscal 2021	Fiscal 2022	Fiscal 2023
Investment in YFCPL for part-financing its capital expenditure requirements in relation to the setting up of the Proposed Facility	2,420.31[(2)]	698.23 [(3)]	604.04	-	604.04	-
Investment in YFCPL for funding its working capital requirements of YFCPL	-	-	377.41	-	101.31	276.10
Funding capital expenditure requirements for expansion of our SI Manufacturing Facility	1,367.09 [(2)]	154.36 [(3)]	910.63	-	910.63	-
Funding working capital requirements of our Company	-	-	351.78	-	194.49	157.29
Purchase of plant and machinery for augmenting infrastructure development at our SI Manufacturing Facility	125.65 [(2)]	-	125.65	-	125.65	-
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and VLPL	-	-	1,793.14	-	1,793.14	-
General corporate purposes [(1)]	-	-	637.29	-	637.29	-
Total[(1)]			4,799.94	-	4,366.55	433.39

(1) *This amount has been derived by subtracting the Offer expenses apportioned to our Company (including the expenses for the Pre-IPO Placement from the aggregate of the gross proceeds of the Fresh Issue and proceeds from the Pre-IPO Placement. For details, see "Objects of the Offer- Offer Expenses" on page 121.*

(2) *Total estimated cost as per certificates dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer in respect of the Proposed Facility, the Proposed Expansion and the purchase of plant and machinery for augmenting infrastructure development at our SI Manufacturing Facility.*

(3) *As certified by Natvarlal Vepari & Co., Chartered Accountants, our Statutory Auditors, by way of their certificates dated February 26, 2021 in respect of amounts deployed towards the Proposed Facility and the Proposed Expansion.*

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions including the COVID-19 pandemic, competitive environment and interest or exchange rate fluctuations, changes in design and configuration of the project, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. Moreover, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the aggregate of the gross proceeds of the Fresh Issue and the proceeds from the Pre-IPO Placement, in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Fresh Issue. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects. For further details see "*Risk Factors – If there are delays in transfer of the necessary approvals in relation to the Proposed Facility or if the costs of setting up and the possible time or cost overruns related to the Proposed Facility, expansion of the SI Manufacturing Facility or the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*" on page 39.

Details of the Objects of the Fresh Issue

1. **Investment in our wholly owned Subsidiary, Yellowstone Fine Chemicals Private Limited ("YFCPL") for part-financing its capital expenditure requirements in relation to the setting up of a manufacturing facility for fluorospecialty chemicals ("Proposed Facility")**

   As part of our growth strategy, we propose to establish our fluorospecialty chemicals business. To this end, we acquired certain plant, equipment and patents of Miteni SPA, Italy ("**Miteni Assets**"), a manufacturer of organic fluorospecialties and electrochemical fluorination through an auction bid in June 2019, for an aggregate consideration of € 4.63 million, through our wholly owned Subsidiary, Viva Lifesciences Private Limited ("**VLPL**"). For further details, please see "*Our Business – Strategies*" on page 171.

   The Proposed Facility is being set up at Plot no. G-60, Lote, Parshuram Industrial Area, Maharashtra over a parcel of land admeasuring 80,000 square meters ("**Lote Property**"). The Lote Property was allotted to our Company pursuant to an allotment letter dated July 8, 2016 issued by Maharashtra Industrial Development Corporation ("**MIDC**"). Subsequently, our Company has entered into a license agreement dated November 26, 2019 ("**License Agreement**") with MIDC pursuant to which we have been granted license rights in connection with the Lote Property for a period of three years commencing from October 23, 2019. Under the terms of the License Agreement, upon completion of the building works as stipulated therein and subject to compliance with the conditions thereof, MIDC shall grant a lease for a term of 95 years to the licensee. Our Company has made an application dated November 11, 2020 for assignment of the License Agreement to YFCPL which is pending as on date of this Prospectus. All the expenses in connection with the assignment of the Lote Property shall be borne through our internal accruals.

   Upon completion of dismantling of the Miteni Assets, such plant and equipment will be relocated to the Lote Property. Our Subsidiary, YFCPL has issued a purchase order to VLPL for the purchase of the Miteni Assets (including estimated dismantling charges, ocean freight, insurance and other incidental costs), for an aggregate estimated consideration of approx. €8.87 million (approx. ₹ 763.30 million*), which is proposed to be completed through a high-seas sale. Further, VLPL, through its letter dated December 9, 2020, has undertaken to execute necessary documentation for the transfer of the patents, REACH registration and other intangible assets acquired from Miteni to YFCPL, within 45 days of such sale of the plant and equipment.
   **Conversion rate considered €1=₹ 86.00 (based on prevailing foreign exchange rates at the time of issuing the purchase order).*

   Our Company proposes to utilise ₹ 604.04 million from the Net Proceeds for investment into YFCPL for financing the capital expenditure requirements for setting up the Proposed Facility. The investment by our Company in YFCPL is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Prospectus. We believe that the said investment will result in increase in the value of the investment made by our Company in YFCPL. Further, such investment is being undertaken in furtherance of our strategy to diversify our product portfolio and foray into the high-margin fluorochemicals business. For further details, please see "*Our Business – Strategies*" on page 171. YFCPL proposes to utilise the entire investment towards funding the proposed capital expenditure for the Proposed Facility.

   Capacity and schedule of implementation

The installed capacity of the Proposed Facility is proposed to be an aggregate of 13,820 TPA and is expected to commence commercial operations by last quarter of Fiscal 2022 (March 2022). There has been a delay in relocation of the Miteni Assets and also in the execution of the activities involved in setting up the Proposed Facility primarily on account of the COVID-19 pandemic.

The expected schedule of implementation of the Proposed Facility is set forth below:

Sr. No.	Particulars	Status / expected commencement date	Expected completion date
1.	Land acquisition	License Agreement entered into on November 26, 2019. The application dated November 11, 2020, for transfer of the License Agreement is pending as on the date of this Prospectus. Further, the lease agreement shall be signed upon completion of building works.	NA
2.	Site development and civil and structural works	Commenced in October 2020	March 2021
3.	Setting up of the R&D kilo lab	Commenced in December 2020	March 2021
4.	Procurement of equipment (including dismantling and relocation)	Plant and machinery acquired from Miteni in June 2019	September 2021
5.	Erection and installation of equipment	April 2021	December 2021
6.	Trial run	January 2022	February 2022
7.	Commencement of commercial production	March 2022	NA

The aforementioned schedule of implementation is based on the management estimates. For further details see "*Risk Factors –If there are delays in transfer of the necessary approvals in relation to the Proposed Facility or if the costs of setting up and the possible time or cost overruns related to the Proposed Facility, and expansion of the SI Manufacturing Facility or the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*" on page 39.

Utilities

The Lote Property is located within an industrial area notified under the Maharashtra Industrial Development Act, 1961. The requirements for power and water supply for the Proposed Facility shall be obtained from MIDC and MSEDCL.

Means of finance

The total estimated cost for setting up of the Proposed Facility is approximately ₹ 2,420.31 million. We intend to fund the estimated cost of setting up the Proposed Facility as follows:

(₹ in million)

Particulars	Amount
Total estimated project cost (A)	2,420.31(1)
(less) Amount deployed as of January 31, 2021 (B)	698.23(2)
Balance amount to be incurred (C) = (A-B)	1,722.08
Amount to be funded by infusion of Net Proceeds (D)	604.04
Funding required excluding the Net Proceeds (E) = (C– D)	1,118.04
Stated means of finance excluding the Net Proceeds i.e. 75% of (E)	838.53
- Debt facility, i.e. term loan from IndusInd Bank Limited (F)(3)	1,170.00

(1) *Total estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer.*

(2) *As certified by Natvarlal Vepari & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated February 26, 2021. The sources of funds for the amount deployed towards the Proposed Facility, as on January 31, 2021, were loan from our Company to YFCPL (₹ 76.63 million), equity infusion by our Company in YFCPL (₹ 0.43 million), loan from our Company to VLPL (₹ 219.28 million), the IndusInd Facility (as defined hereinafter) (₹ 400.00 million) and internal accruals of our Company (₹ 1.89 million).*

(3) *IndusInd Bank Limited sanctioned a term loan for an aggregate amount of ₹ 1,570.00 million to VLPL for the Proposed Facility ("**IndusInd Facility**"). Pursuant to an addendum dated February 13, 2020, IndusInd Bank Limited modified the terms of the sanction allowing the loan to be availed by any wholly-owned Subsidiary of our Company at the same terms and conditions set out in the original sanction. As on January 31, 2021, the aggregate principal amount outstanding under the IndusInd Facility was ₹ 400.00 million.*

Based on the aforementioned, we confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be used from the Net Proceeds have been made by us.

Estimated Cost

The total estimated cost of the Proposed Facility is ₹ 2,420.31 million, as certified by D.K. Maheshwari, an independent chartered engineer pursuant to a certificate dated February 26, 2021. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Facility as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost for setting up the Proposed Facility comprises the following:

(₹ in million)

Sr. No.	Particulars	Total estimated cost(1)(2)	Amount deployed as on January 31, 2021(3)	Amount proposed to be funded from the Net Proceeds
1.	Civil and structural works	634.47	52.58	-
2.	Process plants (including imported machinery and local equipment)	1,026.47	616.91	234.94
3.	Utilities and offsites	188.22	4.94	115.54
4.	Electrical and instruments	100.42	-	118.82
5.	Engineering and construction supervision	37.14	13.01	17.67
6.	R&D kilo lab and related instruments	30.21	10.79	16.39
7.	Contingency	403.39(4)	-	100.68(5)
	Total	**2,420.31**	**698.23**	**604.04**

(1) *Total estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer.*

(2) *Subject to applicable taxes, to the extent not included in the estimated cost.*

(3) *As of January 31, 2021, the amount deployed towards the Proposed Facility was ₹ 698.23 million, as certified by Natvarlal Vepari & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated February 26, 2021. For sources of funds for the amounts deployed, please see "-Means of Finance" above.*

(4) *Considered @20% of the estimated project cost.*

(5) *Considered @16.67% of the estimated project cost proposed to be funded from the Net Proceeds.*

The current estimates and specifications in relation to the capital expenditure requirements of the Proposed Facility are based on the current status of implementation, project design and layout. Further, YFCPL may continue to place new orders, amend existing orders as per project requirements or pursuant to any design or technical changes or make scheduled payments in relation to the orders which have been placed with vendors for various plant, machinery and equipment, materials, civil work and any other requirements (including services) in relation to the Proposed Facility. Such payments shall be funded through the IndusInd Facility or through internal accruals of our Company infused into YFCPL in the form of debt or equity or a combination of both. Accordingly, details of the amount to be financed from the aforementioned investment by our Company in YFCPL may be subject to change in the future.

VLPL has entered into a consultancy agreement dated June 29, 2019 with Anasco S.r.l. ("**Consultancy Agreement**") in relation to, *inter alia*, dismantling of the Miteni assets, assisting VLPL in receiving necessary regulatory permissions, providing training and technical supervisory support for plant operations. The payments pursuant to the Consultancy Agreement are not proposed to be funded through the Net Proceeds.

Based on current estimates, in addition to the Miteni Assets, for certain other equipment, instruments, electricals, and other assets and services which may be required for the Proposed Facility, we have procured quotations or issued purchase orders to suppliers/vendors. YFCPL will be placing the orders with vendors based on the competitive cost and proposed delivery schedule of the equipment. The vendors for supply of such other equipment have been shortlisted on the basis of the reputation of the vendors, the historical performance of the equipment supplied by them and other factors such as electrical energy consumption, maintenance cost during operation stages, after sales services and support capability of the supplier to assist us during installation and provision of post-sale services.

YFCPL shall place orders for the assets and services for which orders are yet to be placed as per the schedule of implementation for the Proposed Facility. For further details see "*Risk Factors –We have not yet placed orders for some of the machinery and equipment to be procured in relation to the Proposed Facility, the expansion of the SI Manufacturing Facility and for the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected"* on page 40.

Break-up of the estimated cost

Civil and structural work

Civil and structural works for the Proposed Facility include site development, building of compound walls, internal roads, storm water drains, construction and engineering related work including civil and structural works for erection of plant and machinery, warehouses, raw material storage, administrative set up, drainage and sewerage and sanitation, system and electrical planning and equipment. The total estimated cost for civil and structural works for the Proposed Facility is ₹ 634.47 million, certified pursuant to the certificate dated February 26, 2021 issued by D.K. Maheshwari, an independent certified engineer. The expenses towards civil and structural work are not proposed to be funded through the Net Proceeds.

Process plants

Certain plant and machinery required for the Proposed Facility has been purchased by VLPL pursuant to the acquisition of Miteni Assets, which includes second-hand machinery. As per the certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer, the balance estimated residual life of such plant and machinery is 9-18 years. Upon completion of dismantling of the Miteni Assets, such plant and equipment will be relocated to the Lote Property. Our Subsidiary, YFCPL has issued a purchase order to VLPL for the purchase of the Miteni Assets (including estimated dismantling charges, ocean freight, insurance and other incidental costs), for an aggregate estimated consideration of approx. €8.87 million (approx. ₹ 763.30 million*), which is proposed to be completed through a high seas sale.
**Conversion rate considered €1=₹ 86.00 (based on prevailing foreign exchange rates at the time of issuing the purchase order)*

Out of the total estimated cost of the Proposed Facility, the estimated cost towards the process plants is ₹ 1,026.47 million which includes, *inter alia*, dismantling, packing and forwarding of the Miteni Assets, custom duty, purchase of FRP tanks and erection of equipment, plant and machinery and electricals.

Our Company proposes to utilise ₹ 234.94 million out of the Net Proceeds towards the process plants. A detailed break-up of such estimated cost towards process plants which is proposed to be funded from the Net Proceeds is set forth below:

Sr. No.	Particulars	Estimated cost* (₹ million)	Name of supplier/vendor	Date of quotation/purchase order
1.	Ocean freight	96.32^	Based on a purchase order dated July 29, 2020 issued by YFCPL to VLPL.	
2.	Domestic freight from port to site	36.07	Express Global Logistics Private Limited	Work order dated October 7, 2020
3.	Tanks	25.55	Polyplast Chemi-Plants (I) Private Limited	Quotation dated November 12, 2020
4.	Erection of equipment, instruments and electricals	77.00	Sharma Fabricators and Erectors Private Limited	Purchase order dated October 27, 2020

Sr. No.	Particulars	Estimated cost* (₹ million)	Name of supplier/vendor	Date of quotation/purchase order
	Total	**234.94**		

**Estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer*
^Conversion rate considered €1=₹ 86.00 (based on prevailing foreign exchange rates at the time of issuing the purchase order)

Utilities and offsites

The estimated funding requirements towards utilities and offsites required at the Proposed Facility are ₹ 188.22 million which includes, *inter alia*, effluent treatment systems, water systems, air systems, steam generation systems, nitrogen plant and fire water systems.

Our Company proposes to utilise ₹ 115.54 million out of the Net Proceeds towards the utilities and offsites. A detailed break-up of such estimated cost which is proposed to be funded from the Net Proceeds is set forth below:

Sr. No.	Particulars	Estimated cost* (₹ million)	Name of supplier/vendor	Date of quotation/purchase order
1.	Effluent treatment plant equipment and piping	17.60	Raj Process Equipments and Systems Private Limited	Quotation February 12, 2021
2.	Cooling water system, chilled water system and brine systems	33.81	Paharpur Cooling Tower, Aqualine Pumps and Voltas Limited	Purchase orders/quotations dated between October 1, 2020 to February 6, 2021
3.	Compressed air system, steam generation system and nitrogen plant	33.23(1)	Ingersoll Rand (India) Limited, Cheema Boilers Limited, and Nutech Air Projects	Purchase orders/quotations dated between October 10, 2020 to February 9, 2021
4.	Fire water system	34.41	Eversafe Protect Systems Private Limited	Quotation dated February 11, 2021
	Total (A)	**119.05**		

**Estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer*

Electrical and instruments

The estimated funding requirements towards electricals and instruments at the Proposed Facility are ₹ 100.42 million which includes, *inter alia*, expenses towards high-tension and low-tension systems, field instruments, cables, and control room instruments and systems.

Our Company proposes to utilise ₹ 118.82 million out of the Net Proceeds towards electrical and instruments. A detailed break-up of such estimated cost which is proposed to be funded from the Net Proceeds is set forth below:

Sr. No.	Particulars	Estimated cost*(1) (₹ million)	Name of supplier/vendor	Date of quotation/purchase order
1.	High-tension systems	12.89	Shree Shantadurga Engineers, Shilchar Technologies Limited and Vijay Electrical and Mechanical Corporation	Quotations dated between October 10, 2020 and February 10, 2021
2.	Low-tension systems	61.10	Powerica Limited; Aplab Limited; Zenith Engineering Corporation; Subodhan Engineers (Pune) Private Limited; Vijay Electrical and Mechanical Corporation and J.S. Corporation	Quotations and purchase orders dated between October 28, 2020 and February 12, 2021
3.	Control room instruments	46.25	Yokogawa India Limited; and Emerson Process Management	Quotations dated November 4, 2020 and February 9, 2021

Sr. No.	Particulars	Estimated cost*[(1)] (₹ million)	Name of supplier/vendor	Date of quotation/purchase order
			India Private Limited	
	Total (A)	**120.24**		

**Estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer*

Engineering and construction supervision

The estimated funding requirements towards engineering and construction supervision at the Proposed Facility are ₹ 37.14 million which includes, *inter alia*, detailed engineering costs and supervisions costs towards the plant and non-plant buildings.

Our Company proposes to utilise ₹ 17.67 million out of the Net Proceeds towards construction supervision. A detailed break-up of such estimated cost which is proposed to be funded from the Net Proceeds is set forth below:

Sr. No.	Particulars	Estimated cost* (₹ million)	Name of supplier/vendor	Date of purchase order
1.	Construction supervision	28.79	Techin Process Technologies Private Limited	Purchase order dated October 10, 2020
	Total (A)	**28.79**		

**Estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer*

R&D kilo lab

The estimated funding requirements towards the R&D kilo lab at the Proposed Facility are ₹ 30.21 million which include, *inter alia*, cost of material towards civil works, R&D equipment, mechanical and electrical costs as well as costs towards lab instruments.

Our Company proposes to utilise ₹ 16.39 million out of the Net Proceeds towards quality control and quality assurance instruments for the R&D kilo lab. A detailed break-up of such estimated cost which is proposed to be funded from the Net Proceeds is set forth below:

Sr. No.	Particulars	Total Cost* (₹ million)	Name of supplier/vendor	Date of quotation/purchase order
1.	Lab instruments and other equipment (quality control and quality assurance)	16.39^	Scientific Research Instruments Company Private Limited, Metrohm A G, and Agilent Technologies Singapore Sales (Pte) Limited	Purchase orders dated between November 10, 2020 to January 11, 2021
	Total (A)	16.39		

**Estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer*

^A portion of the estimated cost denominated in USD has been converted at 1 USD =₹ 74.50 (based on prevailing foreign exchange rates at the time of issuing the purchase order) and another denominated in CHF has been converted at 1 CHF = ₹ 81.00 (based on prevailing foreign exchange rates at the time of issuing the purchase order).

Other expenses

Further, any additional costs incurred towards freight charges, installation and commissioning charges, transportation, insurance, exchange rate fluctuations, import duty, applicable taxes etc. in relation to the Proposed Facility will be met from the IndusInd Facility or through internal accruals of our Company which shall be advance to/infused in YFCPL for the purposes to meeting such expenditure.

We have placed orders for approximately 80% of the plant and machinery required for the Proposed Facility, in terms of the aggregate estimated cost of plant and machinery for the Proposed Facility (net of contingency). Any subsequent initial expenditure in relation to the Proposed Facility will be funded from the IndusInd Facility or infusion of funds into YFCPL by our Company, until the Net Proceeds are available to our Company for investment in YFCPL.

The quotations received from vendors in relation to the above-mentioned Object are valid as on the date of this Prospectus. Further, while we have issued purchase orders to some of the vendors, there can be no assurance that such vendors will deliver the equipment and material on time or that there will be no delay in provision of services by such vendors. We have not entered into any definitive agreements with some of the vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The break-up of the estimated cost, quantity of equipment and other materials to be purchased is based on management estimates and could be subject to change in the future. In the event of any change in the breakup of the estimated cost, the Net Proceeds may be appropriately distributed across the project cost-heads to adjust any decrease or increase in cost under any of the headings stated above. For further details see "*Risk Factors – We have not yet placed orders for some of the machinery and equipment to be procured in relation to the Proposed Facility, the expansion of the SI Manufacturing Facility and for the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected*" on page 40.

Government approvals

In relation to the Proposed Facility, we are required to obtain approvals, which are routine in nature, from certain governmental or local authorities, the status of which is provided below and certified by D.K. Maheshwari, Chartered Engineer pursuant to a certificate dated February 26, 2021.

Authority	**Initial approvals**		**Final approvals**	
	Nature of approval	**Stage at which approval is required and status**	**Nature of approval**	**Stage at which approval is required**
MIDC	Approval for building plans for the proposed factory	Obtained on August 28, 2020	Building completion certificate, / occupational certificate and draining completion certificate	Upon completion of construction and before commissioning
MIDC (Chief fire officer)	Provisional no-objection certificate for proposed construction	Obtained on August 13, 2020	Final no-objection certificate	Upon completion of construction and before commissioning
State Environment Impact Assessment Authority	Environmental clearance	Obtained on March 31, 2020 in the name of our Company. Application dated November 24, 2020 for transfer to YFCPL is currently pending.	-	-
MPCB	Consent to establish	The consent appraisal committee of MPCB has in its meeting dated August 4, 2020 approved the grant of consent to establish for the Proposed Facility which will be issued in the name of our Company. Upon receipt of such consent and transfer of the environmental clearance, we will make necessary application for transfer of the consent to establish in the name of YFCPL.	Consent to operate under the Air Act, Water Act and HW Rules	Before commissioning

Authority	Initial approvals		Final approvals	
	Nature of approval	Stage at which approval is required and status	Nature of approval	Stage at which approval is required
Inspector of Factories	Approval to construct, extend or take into use any building as a factory and approval of drawings for Proposed Facility	Before placement of machineries and before commissioning	Certificate of stability and final approval	Before commissioning
Petroleum and Explosives Safety Organization	NA	NA	License from Petroleum and Explosives Safety Organization for storage of Petroleum Products of A, B & C Class	Upon completion of construction and before commissioning

YFCPL shall submit necessary applications with the relevant authorities for obtaining all initial approvals and final approvals as applicable, at the relevant stages as indicated in the columns "initial approvals' and "final approvals" in the above table, respectively. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For further details on the pending applications in relation to the Proposed Facility, see "*Government and other approvals*" and "*Risk Factors – If there are delays in transfer of the necessary approvals in relation to the Proposed Facility or if the costs of setting up and the possible time or cost overruns related to the Proposed Facility, expansion of the SI Manufacturing Facility or the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects"* on pages 347 and 39, respectively.

2. Investment in YFCPL for funding its working capital requirements

The Proposed Facility is expected to commence commercial operations in the last quarter of Fiscal 2022 (March 2022). In order to support the proposed fluorochemicals business, YFCPL would require funding for its working capital requirements in the Fiscal 2022 and Fiscal 2023.

YFCPL was incorporated on March 3, 2020 and is in the process of setting up the Proposed Facility. Accordingly, there is no historical working capital deployment by YFCPL.

Our Company proposed to utilise ₹ 377.41 million of the Net Proceeds towards investment in YFCPL for funding its working capital requirements. Such investment shall be in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Prospectus.

On the basis of existing and estimated working capital requirement of YFCPL, and assumptions for such working capital requirements, our Board pursuant to its resolution dated December 15, 2020 has approved investment in YFCPL in relation to the projected working capital requirements of YFCPL for Fiscals 2022 and 2023. The details of YFCPL's estimated working capital requirements for the Fiscal 2022 and Fiscal 2023 are as provided below:

(₹ in million)

Sr. No.	Particulars	Estimated as at	
		March 31, 2022	**March 31, 2023**
(A)	**Current Assets**		
1	**Inventories**		
	(i) Raw material including consumables	46.31	114.47
	(ii) Work-in-progress	3.09	34.34
	(iii) Finished goods	9.26	80.13
	Sub-total (a)	**58.66**	**228.94**
2	**Financial assets**		
	(i) Trade receivables	132.14	363.27
	(ii) Cash and cash equivalents	41.80	42.14

Sr. No.	Particulars	Estimated as at	
		March 31, 2022	**March 31, 2023**
	Sub-total (b)	**173.94**	**405.41**
	Total Current Assets (A=a+b)	**232.60**	**634.35**
(B)	**Current Liabilities**		
	Financial liabilities		
	Trade payables	131.29	256.94
	Total Current Liabilities (B)	**131.29**	**256.94**
	Working Capital Requirements (A-B)	**101.31**	**377.41**
	Funding pattern		
	Working capital funding from banks/financial institutions	-	-
	Equity / debt infusion by our Company	101.31	276.10
	Amount proposed to be utilised from Net Proceeds	**101.31**	**276.10**

**Pursuant to the report dated December 15, 2020, issued by Nayan Parikh & Co, Chartered Accountants.*

Assumptions for our estimated working capital requirements

Provided below are details of the holding levels (days) and estimated capacity utilisation considered:

Sr. No.	Particulars	Number of days for the period/Fiscal ended (except capacity utilisation)	
		March 31, 2022	**March 31, 2023**
1.	Raw material including consumables	30	30
2.	Work-in-progress	2	9
3.	Finished goods	6	21
4.	Trade receivables	60	60
5.	Trade payables	60	60
6.	Cash and cash equivalents	18	9
7.	Capacity utilization (%)	7.40%	82.00%

Key justifications for holding levels

Sr. No.	Particulars	Assumptions
1.	**Inventories**	**Raw material**: The inventory has a correlation with the storage capacities and plans. We have planned for inventory holding of 30 days consumption for raw materials for the first year, as during start-up we may need more raw materials. In Fiscal 2023, the inventory holding has been normalised to 30 days.
		Work in progress: We have assumed work-in-progress inventory equivalent of 2 days of production in Fiscal 2022 as this is the start-up year. Thereafter, we have considered work-in-progress of 9 days of production. ***Note***: Overheads cost has not been included in value of work-in-progress stock as it is not considered significant.
		Finished Goods: For Fiscal 2023, we have considered finished goods inventory for 6 days of production based on customer demand projections as this is the start-up year. In the Fiscal 2023, we have considered finished goods inventory for 21 days of production / sales based on customer demand projections and our storage capacities. ***Note***: Overheads cost has not been included in value of finished goods stock as it is not considered significant.
2.	**Trade Receivables**	Majority of the customers of the fluorospecialty business initially are expected to be our existing customers. Based on their existing payment terms, we have considered 60 days of sales as our trade receivables for the fluorospecialty products.
3.	**Trade payables**	Based on existing trade practices and our experience in the chemicals industry, we have assumed an average vendor credit period of 60 days.
4.	**Cash and cash equivalents**	Based on the projected operations and our experience in the chemicals industry, we have assumed cash and cash equivalents balance of ₹ 41.80 million and ₹ 42.14 million, as at March 31, 2022 and March 31, 2023, respectively (i.e. 18 days and 9 days of expenses).

3. **Funding capital expenditure requirements for expansion of our SI Manufacturing Facility ("Proposed Expansion")**

We are currently in the process of expanding the installed capacity of our SI Manufacturing Facility located in Mahad, Maharashtra. Such expansion is in furtherance of our strategy to maximise production volumes at our Manufacturing Facilities. In line with our strategy, we propose to enhance the installed capacity at our existing SI Manufacturing Facility. The enhanced installed capacity is proposed to be dedicated to two product chemistries of our Company (one of which is esters) which form part of our Speciality Intermediates' product portfolio. However, in the event of under-utilisation of the installed capacity, the installed capacity shall be available for manufacture of other products, at the discretion of our Company. In relation to one of the products, we have entered into a long-term off-take agreement with a prominent crop sciences company. For further details, please see "*Our Business – Strategies*" on page 171.

Land and Utilities

We have arrangements for regular power and water supply at our SI Manufacturing Facility. For details, see "*Our Business-Utilities*" on page 177. Further, the land on which the Proposed Expansion is proposed to be executed, is part of our SI Manufacturing Facility and is leased to our Company pursuant to a 95-year lease from MIDC. For details, see "*Our Business-Properties*" on page 181.

Capacity and schedule of implementation

As at December 31, 2020, we had an aggregate installed production capacity of 78,045 MTPA at our SI Manufacturing Facility. Pursuant to the Proposed Expansion, we intend to enhance the installed capacity at our SI Manufacturing Facility by 4,480 MTPA.

Schedule of implementation

The expected schedule of implementation of the Proposed Expansion is set forth below:

Sr. No.	Particulars	Status	Expected completion date
1.	Civil work	Commenced in September 2020	March 2021
2.	Procurement and erection of equipment	Commenced in September 2020	September 2021
3.	Commencement of production	-	November 2021

The aforementioned schedule of implementation is based on the management estimates. For further details see "*Risk Factors –If there are delays in transfer of the necessary approvals in relation to the Proposed Facility or if the costs of setting up and the possible time or cost overruns related to the Proposed Facility, and expansion of the SI Manufacturing Facility or the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*" on page 39.

Means of finance

The total estimated cost for the Proposed Expansion is approximately ₹ 1,367.09 million. We intend to fund the estimated cost for the Proposed Expansion as follows:

(₹ in million)

Particulars	Amount
Total estimated project cost (A)	1,367.09[(1)]
(less) Amount deployed as of January 31, 2021 (B)	154.36[(2)]
Balance amount to be incurred (C) = (A-B)	1,212.73
Amount to be funded from Net Proceeds (D)	910.63
Funding required excluding the Net Proceeds (E) = (C– D)	302.10
Stated means of finance excluding the Net Proceeds (F) = 75% of (E)	226.58
Identifiable internal accruals as on September 30, 2020	290.09
Cash and bank balances as on September 30, 2020	815.78

[(1)] *Total estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer.*

(2) *As certified Natvarlal Vepari & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated February 26, 2021, the amount already deployed as on January 31, 2021 was funded from internal accruals of our Company.*

Based on the aforementioned, we confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and internal accruals have been made by us.

Estimated Cost

The total estimated cost for the Proposed Expansion is ₹ 1,367.09 million, as certified by D.K. Maheshwari, an independent chartered engineer pursuant to a certificate dated February 26, 2021. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for the Proposed Expansion, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost comprises the following:

(₹ in million)

Sr. No.	Particulars	Total estimated cost(1)(2)	Amount deployed as on January 31, 2021(3)	Amount proposed to be funded from the Net Proceeds
1.	Civil work	177.60	60.28	73.15
2.	Electricals	82.70	1.39	21.63
3.	Instruments	80.20	1.13	45.81
4.	Equipment	320.60	48.52	243.67
5.	Process plants	420.16	19.43	380.73
6.	Pipes and Services	176.70	23.61	36.51
7.	Contingency	109.13	-	109.13
	Total	**1,367.09**	**154.36**	**910.63**

(1) *Total estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer.*
(2) *Subject to applicable taxes, to the extent not included in the estimated cost*
(3) *As certified Natvarlal Vepari & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated February 26, 2021, the amount deployed as on January 31, 2021 was funded from internal accruals of our Company.*

Break-up of the estimated cost

The total estimated cost for the Proposed Expansion includes the expenses for civil work, equipment, electrical and instrumentation, process plants, pipes and other services required.

Civil work: Civil work for the Proposed Expansion includes foundation of the plant, construction of sheds, building and engineering related work for erection of plant, utilities and other equipment. It also includes costs of fabrication and pre-fabricated material in addition to cement and steel required for the civil work. The total estimated cost for civil work for the Proposed Expansion is ₹ 177.60 million.

Electricals: The equipment and process plants would require electrical equipment, accessories, utilities and cables. The cost towards such electricals is estimated to be ₹ 82.70 million. This includes expenses towards transformer, panels, cables, light fitting and services, etc.

Instruments: The Proposed Expansion would also be requiring the instrumentation, the cost of which is estimated to be ₹ 80.20 million. This includes the cost of various modules, input and output instrumentation etc.

Equipment and process plants: The equipment cost to support one of the products in the Proposed Expansion is estimated to be ₹ 320.60 million while the estimated cost of process plants for the other product is ₹ 420.16 million. These include reactors, tanks, columns, vessels, pumps and other equipment.

Pipes and Services: In addition to above, the Proposed Expansion requires pipes, fittings and services, the cost of which is estimated to be ₹ 176.70 million. These include pipes, valves, fabrication and other services required for the same.

A detailed break-up of such estimated cost towards Proposed Expansion which is proposed to be funded from the Net Proceeds is set forth below:

Sr. No.	Particulars	Estimated cost (in ₹ million) (1)	Name of supplier/vendor	Date of quotation/purchase order
1.	Civil work (including cost of materials)	73.15(2)	Chirag Enterprises; Gurudev Engineering; Vora & Sons; Ultratech Cement Limited; Shreejee Structural Steel Private Limited; Kansai Nerolac Paints Limited; Jagatguru Constructions; Choudhary Mutlispeciality Engineers Private Limited; Amfico Agencies Private Limited; R. R. Constructions; Vastu Consultant & Engineers; Om Geo Technical; Laxmi Tubular; Tata BlueScope Steel Limited; HGC Constructors Private Limited; Scon Projects Private Limited; J K Enterprises; Jindal Steel & Power Limited; and Atul Limited	Purchase orders issued to vendors dated between September 1, 2020 and February 3, 2021
2.	Electricals	21.63(2)	Cameo Systems, Vora & Sons; Shiv Samarth Enterprises; Vaibhav Electrics; Soniya Electricals; Soham Enterprises; India Electricals; Voltamp Transformers Limited; Maximum Power Solutions Private Limited; and ABB India Limited.	Purchase orders issued to vendors dated between September 8, 2020 to February 5, 2021
3.	Instruments	45.81(2)	Endress+Hauser (India) Private Limited; Yokogawa India Limited; Gauges Bourdon (India) Private Limited; Tecnik Valves Private Limited; Syscon Energy Conservation Solution Private Limited; Thermal Instrument India Private Limited; Shree Ganesh Instruments; Penucon Valves Private Limited; Penucon Automation Private Limited; Nirmal Industrial Controls Private Limited; BS & B Safety Systems (India) Limited; Fainger Leser Valves Private Limited; Krohne Marshall Private Limited; Emerson Process Management; and Amarama Engineers	Purchase orders issued to vendors dated between October 30, 2020 to February 6, 2021
4.	Equipment	243.67(2)	Kumar Process Cons. & Chem. Private Limited; Investa Pumps Private Limited; Forbes Marshall Private Limited; Safex Industries Limited; Himgiri Cooling Tower; Kaeser Compressors India Private Limited; Alphatech Engineering; Chemdist Mass	Purchase orders issued to vendors dated between September 16, 2020 to February 2, 2021

Sr. No.	Particulars	Estimated cost (in ₹ million) [1]	Name of supplier/vendor	Date of quotation/purchase order
			Transfer Solutions; Vijay Engineering and Machinery Co; Moniba Anand Electricals Private Limited; Allied Engineers; Leak-Proof Pumps (I) Private Limited; Bhavi Plast Private Limited; Technomax Enterprises (I) Private Limited; Finepac Structures Private Limited; TUV India Private Limited; Chem Process Systems Private Limited; Voltas Limited; NSK Engineers; SPX Flow Technology India Private Limited; BEW Engineering Private Limited; Consolidated Chemequip (Mfr) Corporation, Daikin Air Conditioning India Private Limited, Dalal Engineering Private Limited, Thermotech Engineering and Services Private Limited, Ion Exchange India Limited; Voltas Limited, Bhavi Plast Private Limited, Everest Blower Systems Private Limited, Nuberg Engineering Limited, Kinam Engineering Industries; Mettler-Toledo India Private Limited; Easol Private Limited; Del Pd Pumps & Gears Private Limited; Cybernetik Technologies Private Limited; and Pioneer Industrial Products.	
5.	Process plants	380.73[2]	GMM Pfaudler Limited, De Dietrich Process Systems India Private Limited, Systems and Components (India) Private Limited; Graphite India Limited; Investa Pumps Limited; Shapotools; Leakproof Pumps (I) Private Limited; Vijay Engineering & Machinery Co; Blast Carboblocks Private Limited; Bhavi Plast Private Limited; HLE Glasscoat Limited; Allied Engineers; Aquachem Enviro Engineers Private Limited; Forbes Marshall Private Limited; and MakSpeed Technologies Private Limited	Quotations and purchase orders dated between October 23, 2020 to February 12, 2021
6.	Pipes and services (including commissioning and consultancy charges)	36.51[2]	Chirag Enterprises; Vijay Engineering Works; Jyoti Metal Corporation; Gurudev Engineering; Vora & Sons; Pranjal Polymers; Konkan Sales and Services; Flowtech Industries; Shreejee Structural Streel Private Limited; Nimit Enterprise; H. K. Industries; R. S. Tube Industries; Jitendra Pandurang Nivargi; Einblick Consulting Engineers; Amfico	Purchase orders issued to vendors dated between September 7, 2020 to February 16, 2021

Sr. No.	Particulars	Estimated cost (in ₹ million) [(1)]	Name of supplier/vendor	Date of quotation/purchase order
			Agencies Private Limited; Mark Forge; Prapti Enterprises; Kothare Associates; Industrial Inspection Bureau; Laxmi Tubular; P. P. International; Vinfab Engineering (India) Private Limited, Diamond Engineering Works; Advanced Fittings Private Limited; Dekra India Private Limited; Voltas Limited; Delta Technica LLP; Katkar Consultants; HGC Constructors Private Limited; Dalal Engineering Private Limited; Ion Exchange India Limited; Cybernetik Technologies Private Limited; Chandra Engg. & Mech. Private Limited; and Salecha Metal Industries.	
7.	Contingency	109.13	-	-
	Total	**910.63**[(3)]		

(1) *Total estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer.*

(2) *Inclusive of applicable taxes.*

(3) *As certified Natvarlal Vepari & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated February 26, 2021, the amount already deployed by our Company as on January 31, 2021 was ₹ 154.36 million, which was funded from our internal accruals.*

Other Expenses

Further, any additional costs incurred towards freight charges, installation charges, exchange rate fluctuations, applicable taxes etc. in relation to the Proposed Expansion will be met from internal accruals.

Our Company may hire contractors to execute and complete the civil work in relation to the Proposed Expansion. Further, we shall purchase TOR steel, structure steel and other construction materials such as cement, metal, sand, admixtures etc. for civil works as per requirement. Further, our Company may continue to place orders or make scheduled payments in relation to the orders which have been placed with vendors for various plant, machinery and equipment, materials, civil work and any other requirements (including services) in relation to the Proposed Expansion. Accordingly, details of the estimated cost for the Proposed Expansion, may be subject to change in the future.

We have placed orders for approximately 56% of the plant and machinery required for the Proposed Expansion, in terms of the aggregate estimated cost of plant and machinery for the Proposed Expansion (net of contingency). Further, the quotations received from vendors in relation to the above-mentioned Object are valid as on the date of this Prospectus. Further, while we have issued purchase orders to some of the vendors, there can be no assurance that such vendors will deliver the equipment and material on time or that there will be no delay in provision of services by such vendors. We have not entered into any definitive agreements with some of the vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The quantity of equipment and other materials to be purchased is based on management estimates and could be subject to change in the future. In the event of any change in the breakup of the estimated cost, the Net Proceeds may be appropriately distributed across the project cost-heads to adjust any decrease or increase in cost under any of the headings stated above. For further details see "*Risk Factors – We have not yet placed orders for some of the machinery and equipment to be procured in relation to the Proposed Facility, the expansion of the SI Manufacturing Facility and for the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected*" on page 40.

Governmental approvals

We have obtained the material government approvals in relation to our SI Manufacturing Facility which are valid as on date of this Prospectus. Further, applications for building and construction related approvals from MIDC for the Proposed Expansion shall be applied for by our Company, based on the schedule of implementation of the Proposed Expansion.

4. Funding working capital requirements of our Company

In light of the Proposed Expansion of our SI Manufacturing Facility and in order to support the incremental business requirements for the two products to be manufactured, our Company requires additional working capital for funding its working capital requirements in the Fiscal 2022 and Fiscal 2023.

Basis of estimation of working capital requirement

The details of Company's working capital as at September 30, 2020, March 31, 2020 and March 31, 2019, and the source of funding, on the basis of audited standalone financial statements of our Company as at September 30, 2020, March 31, 2020 and March 31, 2019, as certified by Nayan Parikh & Co, Chartered Accountants through their report dated December 15, 2020, are provided in the table below:

(₹ in million)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2020	As at September 30, 2020
(A)	**Current Assets**			
1	**Inventories**			
	(i) Raw material including consumables	859.87	996.32	859.15
	(ii) Work-in-progress	88.04	47.95	42.43
	(iii) Finished goods	333.57	399.29	203.62
		1,281.48	**1,443.56**	**1,105.20**
2	**Financial assets**			
	(i) Investments	155.41	166.10	173.14
	(ii) Trade receivables	3,039.63	3,166.54	3,358.06
	(iii) Cash and cash equivalents	49.50	216.28	149.01
	(iv) Other Bank Balance	200.00	122.16	404.70
	(v) Loans	6.52	494.67	414.77
	(vi) Others	11.78	424.35	372.11
		3,462.84	**4,590.10**	**4,871.79**
3	**Other current assets**	**819.28**	**475.55**	**314.66**
	Total Current Assets (A)	**5,563.60**	**6,509.21**	**6,291.65**
(B)	**Current Liabilities**			
1	**Financial liabilities**			
	(i) Trade payables	3,001.70	3,926.36	3,067.21
	(ii) Lease Liability	-	18.99	19.58
	(iii) Other financial liabilities	598.41	528.80	530.25
		3,600.11	**4,474.15**	**3,617.04**
2	**Provisions**	18.83	117.69	123.04
3	Current Tax Liabilities (net)	92.63	9.65	14.64
4	Other current liabilities	30.92	57.66	93.30
	Total Current Liabilities (B)	**3,742.49**	**4,659.15**	**3,848.02**
	Working Capital Requirements (A-B)	**1,821.11**	**1,850.06**	**2,443.63**
	Funding pattern			
	Working capital funding from bank/ financial institutions/others	339.99	81.62	90.07
	Internal accruals and equity	1,481.12	1,768.44	2,353.56
	Total Means of Finance	**1,821.11**	**1,850.06**	**2,443.63**

For further details, please refer to "*Other Financial Information*" on page 299.

On the basis of existing and estimated working capital requirement of our Company on a standalone basis, and assumptions for such working capital requirements, our Board pursuant to its resolution dated December 15, 2020 has approved the projected working capital requirements for Fiscals 2022 and 2023 and the proposed funding of such working capital requirements as set forth below:

(₹ in million)

Sr. No.	Particulars	Estimated as at	
		March 31, 2022	March 31, 2023
(A)	**Current Assets**		
1	**Inventories**		
	(i) Raw Material including consumables	894.44	930.34
	(ii) Work-in-progress	44.78	47.18
	(iii) Finished goods	310.90	336.97
		1,250.12	**1,314.49**
2	**Financial assets**		
	(i) Investments	173.14	173.14
	(ii) Trade receivables	3,468.63	3,602.28
	(iii) Cash and cash equivalents	149.01	149.01
	(iv) Other Bank Balance	404.70	404.70
	(v) Loans	414.77	414.77
	(vi) Others	372.11	372.11
		4,982.36	**5,116.01**
3	**Other current assets**	**314.66**	**314.66**
	Total Current Assets (A)	**6,547.15**	**6,745.16**
(B)	**Current Liabilities**		
(1)	**Financial liabilities**		
	(i) Trade payables	3,128.22	3,168.94
	(ii) Lease Liability	19.58	19.58
	(iii) Other financial liabilities	530.25	530.25
		3,678.05	3,718.77
2	**Provisions**	123.04	123.04
3	Current Tax Liabilities (net)	14.64	14.64
4	Other current liabilities	93.30	93.30
	Total Current Liabilities (B)	**3,909.03**	**3,949.75**
	Working Capital Requirements (A-B)	**2,638.12**	**2,795.41**
	Funding pattern		
	Working capital funding from bank/ financial institutions/others	-	-
	Internal accruals and equity	-	-
	Amount proposed to be utilised from Net Proceeds	**194.49**	**157.29**
	Total means of finance	**194.49**	**157.29**

**Pursuant to the report dated December 15, 2020, issued by Nayan Parikh & Co, Chartered Accountants.*

Assumptions for our estimated working capital requirements

Provided below are details of the holding levels (days) and estimated capacity utilisation considered:

Sr. No.	Particulars	Number of days for the period/Fiscal ended				
		March 31, 2019	March 31, 2020	September 30, 2020	March 31, 2022	March 31, 2023
1.	Raw Material including consumables	29	36	30	30	30
2.	Work-in-progress	3	2	1	1	1
3.	Finished goods	11	14	7	10	11
4.	Trade receivables	78	85	82	81	80
5.	Trade payables	101	140	106	104	101
6.	Capacity utilisation (for product other than ester)	-	-	-	50.00%	90.00%
7.	Capacity utilisation (for product ester)	-	-	-	24.30%	89.10%

Key justifications for holding levels

Sr. No.	Particulars	Assumptions
1.	**Inventories**	**Raw material:** We currently procure and consume the raw materials which will be consumed to produce the additional quantities of products proposed to be manufactured pursuant to the Proposed Expansion ("**Proposed Products**"). We have applied their current stock holding days of the Company, which is 30 days of consumption based on the sales and production plans of the respective finished products and the actual weighted average raw material prices for the six months ended September 30, 2020.
		Work in Progress: We have assumed work-in-progress inventory equivalent of 2 days of production quantity of the two products, based on the production cycle time at the work-in-progress rates per ton as on September 30, 2020. ***Note***: Overheads cost has not been included in value of work-in-progress stock as it is not considered significant.
		Finished Goods: For one of the products, wherein there is a minimum finished goods stock holding norm defined in the long-term agreement ("**Supply Agreement**") (200 MT i.e. 84 days and 48 days of production for Fiscals 2022 and 2023, respectively), we have considered the contract norms and in addition, we have considered stock equivalent of 15 days of production as per business plan. For the second product which we plan to stock and sale, we have considered stock holding of 30 days of production/sales. The rates applied are their respective rates based on standalone audited financial statements of our Company as on September 30, 2020. ***Note***: Overheads cost has not been included in value of finished goods stock as it is not considered significant.
2.	**Trade Receivable**	For one of the products, we have considered 60 days of sales which is defined in the Supply Agreement. In case of the other product, we have considered the current payment terms of the existing customers which is 60 days of sales. For one of the products, the selling rates applied are the rates as per the Supply Agreement and for the other product, the selling rate as on September 30, 2020, as applicable to each product**.**
3.	**Trade payables**	Our Company currently procures and consumes all the raw materials for both the products. We have applied the prevailing payment terms of the respective suppliers for the specific raw materials at the weighted average rates of these raw materials as on September 30, 2020.
4.	**Other Assets and liabilities**	Figures for assets and liabilities, other than mentioned above are maintained as at September 30, 2020 assuming that the incremental working capital required for our existing operations will be financed from internal accruals and existing working capital facilities sanctioned to our Company.
5.	**Capacity utilisation and demand**	It is further assumed that the expanded capacity and demand will be adequate to generate the desired productions.

5. Purchase of plant and machinery for augmenting infrastructure development at our SI Manufacturing Facility

On an ongoing basis, we continuously invest in the overall infrastructure development of our Manufacturing Facilities. We propose to utilise ₹ 125.65 million from the Net Proceeds towards purchase of plant and machinery for augmenting infrastructure development at our SI Manufacturing Facility.

The detailed break-up of the estimated cost towards such infrastructural development is set forth below:

Sr. No.	Particulars	Total Cost (in ₹ million) (1)(2)	Name of supplier/vendor	Date of quotation
1.	Fire hydrant line size modification work	38.11	Prapti Enterprises	January 21, 2021
2.	Fire hydrant pump system and sprinklers	42.36		
3.	Boiler	27.36	Cheema Boilers Limited and Nutan Techno Engineering	October 28, 2020 and November 20, 2020
4.	Body and bonnet gate valves	6.40	Flowtech Industries	November 20, 2020

Sr. No.	Particulars	Total Cost (in ₹ million) (1)(2)	Name of supplier/vendor	Date of quotation
5.	Contingency @10%	11.42	-	-
	Total	**125.65**		

(1) *Estimated cost as per certificate dated February 26, 2021 issued by D.K. Maheshwari, Chartered Engineer*
(2) *Exclusive of applicable taxes.*

We have not placed orders for any of the plant and machinery mentioned above. The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Further, in relation to the purchase of the equipment for the infrastructural development as set out above, we have received quotations from various vendors which are valid as on the date of this Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased is based on management estimates and could be subject to change in the future. In the event of any change in the breakup of the estimated cost, the Net Proceeds may be appropriately distributed across other infrastructural development at our SI Manufacturing Facility to adjust any decrease or increase in cost under any of the headings stated above. We do not intend to purchase any second-hand equipment in relation to this Object. For further details see "*Risk Factors – We have not yet placed orders for some of the machinery and equipment to be procured in relation to the Proposed Facility, the expansion of the SI Manufacturing Facility and for the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected*" on page 40.

6. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and VLPL

Our Company proposes to utilise an estimated amount of up to ₹ 1,793.14 million from the Net Proceeds towards pre- payment or scheduled repayment of all or a portion of term loans availed by our Company and a term loan availed by VLPL.

We believe that the pre-payment or scheduled repayment will help reduce our existing borrowings, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

The following table provides details of loans and facilities availed by our Company and VLPL as at January 31, 2021, out of which we propose to pre-pay or repay, in part either all or a portion of the below mentioned loans and/or facilities, up to an amount aggregating to ₹ 1,793.14 million from the Net Proceeds:

Name of the lender	Nature of borrowing	Purpose	Amount sanctioned (in ₹ million)	Principal amount outstanding as on January 31, 2021 (in ₹ million)	Interest rate as on January 31, 2021 (% p.a.)*	Repayment schedule	Pre-payment conditions/penalty
Borrowings of our Company							
Axis Finance Limited	Rupee term loan facility	Reimbursement of past capex; future capex to be undertaken by our Company; and general	750.00	687.58	Linked with 1 Year MCLR + 115 bps p.a.	18 equal quarterly instalments after a moratorium period of 6 months from the date of 1st disbursement with first payment starting from	No penalty subject to providing an advance notice of 15 days before the date of the prepayment

Name of the lender	Nature of borrowing	Purpose	Amount sanctioned (in ₹ million)	Principal amount outstanding as on January 31, 2021 (in ₹ million)	Interest rate as on January 31, 2021 (% p.a.)*	Repayment schedule	Pre-payment conditions/penalty
		corporate purpose				September 30, 2020	
HDFC Bank Limited	Term loan	Expansion cum modernisation of an existing plant of the Company	400.00	705.56	Linked with HDFC Bank 1 Year MCLR + 65 bps p.a.	18 equal quarterly instalments after a moratorium period of 6 months from the date of first disbursement	Prepayment penalty of 1.00% per annum for the balance outstanding. However, no prepayment penalty to be levied if prepaid through internal accruals after 1.5 years of the tenor of the loan.
			200.00		Linked with HDFC Bank 1 Year MCLR + 70 bps p.a.		
			500.00		Linked with HDFC Bank 1 Year MCLR + 25 bps p.a.		
Borrowings of our Subsidiary – VLPL							
IndusInd Bank Limited	Term Loan	Capital expenditure for setting up of manufacturing unit at Lote Parshuram Chiplun	1,570.00	400.00	Linked to 1Y MCLR for amount up to ₹ 1,000 million 3M LIBOR + 2.40% p.a. (for amount equivalent up to ₹ 570 million in USD)	20 unequal quarterly instalments starting 30th of forthcoming quarter end after a moratorium period of 24 months from the date of first disbursement	Prepayment penalty of 2% on the balance outstanding principal. However, no prepayment penalty, in the event the prepayment is made through the infusion of fresh equity either by increase in the equity share capital or issuance of preference shares and internal accruals.
Total			**3,420.00**	**1,793.14**			

* *The amount outstanding as of January 31, 2021 has been certified by Natvarlal Vepari & Co., Chartered Accountants, our Statutory Auditors by way of their certificate dated February 26, 2021. Further, our Statutory Auditors have confirmed that the above borrowings have been utilized for the purposes for which such borrowings were availed.*

For further details in relation to our borrowings, please see "*Financial Indebtedness*" on page 337 and "*Restated Consolidated Financial Statements*" on page 233.

The selection of borrowings proposed to be prepaid or repaid out of the borrowings provided in the table above, shall be based on various factors including any condition (including prepayment related conditions) attached to the borrowings restricting our ability to prepay the borrowings and other commercial considerations including, among others, the interest rate on the loans and/or facilities, the amount outstanding and the remaining tenor of the loan. Payment of additional interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the internal accruals.

Given the nature of the above-mentioned borrowings and the terms of repayment, the aggregate outstanding borrowing amounts which we propose to repay may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Offer, we may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us.

In the event, our Company deploys the Net Proceeds in VLPL or any other Subsidiary (pursuant to the paragraph above), 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 finalised as on the date of this Prospectus.

As mentioned above, we propose to repay or pre-pay a loan obtained by our Company from Axis Finance Limited from the Net Proceeds. While Axis Finance Limited is an affiliate of Axis Capital Limited, one of the BRLMs, it is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and such loan sanctioned to our Company by Axis Finance Limited, has been sanctioned to our Company as part of the normal commercial lending activity by Axis Finance Limited. Accordingly, we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations.

7. **General Corporate Purposes**

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the aggregate of the gross proceeds from the Fresh Issue and the proceeds from the Pre-IPO Placement, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, including but not restricted towards part or full prepayment / repayment of our borrowings, strategic initiatives, acquisitions, investments in future subsidiaries of our Company, opening or setting up offices, business development initiatives, R&D, acquiring fixed assets, meeting any expense (including capital expenditure requirements) of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head "General Corporate Purposes" and the corporate requirements of our Company.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular Object i.e., the utilization of Net Proceeds.

Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

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

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ 320.62 million. The Offer related expenses consist of listing fees, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Bankers to the Offer processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The break-up for the estimated Offer expenses are set forth below:

Activity	Estimated expenses (in ₹ million)*	As a % of the total estimated Offer expenses	As a % of the total Offer size
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	141.60	44.16	1.77
Selling commission payable to SCSBs for Bids directly procured by them and processing fees payable to SCSBs for Bids (other than Bids submitted by RIIs using the UPI Mechanism) procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs and submitted to SCSBs for blocking, Bankers to the Offer, fees payable to the Sponsor Bank for Bids made by RIIs (1)(2)	10.80	3.37	0.14
Selling commission and uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs, CDPs and Registered Brokers(3)(4)(5)	37.53	11.71	0.47
Processing fees payable to the Sponsor Bank(5)	8.02	2.50	0.10
Fees payable to the Registrar to the Offer	2.98	0.93	0.04
Others			
(i) Listing fees, SEBI filing fees, upload fees, Stock Exchanges processing fees, book building software fees and other regulatory expenses	42.59	13.28	0.53
(ii) Printing and stationery expenses	25.37	7.91	0.32
(iii) Advertising and marketing expenses	21.77	6.79	0.27
(iv) Fees payable to legal counsels	15.65	4.88	0.20
(v) Fees payable to the Monitoring Agency	0.12	0.04	*Negligible*
(vi) Miscellaneous	14.19	4.43	0.18%
Total estimated Offer expenses	320.62	100.00	4.01

** Inclusive applicable taxes and expenses in relation to the Pre-IPO Placement*

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

*Portion for Retail Individual Investors**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*0.20% of the Amount Allotted (plus applicable taxes)*

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE

(2) No additional uploading/processing charges shall be payable by our Company to the SCSBs on the Bid cum Applications Forms directly procured by them.

Processing fees payable to the SCSBs of ₹ 10 per valid application (plus applicable taxes) for processing the Bid cum Application Forms of Retail Individual Investors, Non-Institutional Investors procured from the Syndicate/sub-Syndicate Members/Registered Brokers /CRTAs /CDPs and submitted to SCSBs for blocking.

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

*Portion for Retail Individual Investors**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*0.20% of the Amount Allotted (plus applicable taxes)*

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

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

The payment of selling commission payable to the sub-brokers / agents of sub-Syndicate Members are to be handled directly by *the respective Sub-Syndicate Member. The selling commission payable to the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.*

Uploading charges/ processing charges of ₹10 valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, CRTAs and CDPs:

(i) for applications made by Retail Individual Investors using 3-in-1 type accounts.
(ii) for Non-Institutional Investors using Syndicate ASBA mechanism / using 3-in-1 type accounts.

The Bidding/uploading charges payable to the Syndicate / sub-Syndicate Members, CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

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

*Portion for Retail Individual Investors**	*₹10 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹10 per valid application (plus applicable taxes)*

** Based on valid applications*

(5) Uploading charges/ processing fees for applications made by RIIs using the UPI Mechanism would be as under:

Payable to Members of the Syndicate / CRTAs / CDPs	*₹30 per valid application (plus applicable taxes)*
Payable to Sponsor Bank	*₹8 per valid application (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.*

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

Monitoring Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, we have appointed Axis Bank Limited as the Monitoring Agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet until such time as the Net Proceeds remain unutilized, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of Net Proceeds utilised for purposes other than those stated in this Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Furthermore, in accordance with 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 Sections 13(8) and 27 of the Companies Act, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. The notice will be published in the newspapers, one in English and one in Marathi (Marathi being the regional language of Maharashtra, where our Registered Office is located). Pursuant to Sections 13(8) and 27 of the Companies Act, 2013, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising agency

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

Other confirmations

There is no proposal whereby any portion of the Net Proceeds will be paid to our Directors, Promoters, Promoter Group or Key Managerial Personnel, except in the ordinary course of business. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

BASIS FOR THE OFFER PRICE

The Price Band, Floor Price and Offer Price was 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 the quantitative and qualitative factors described below. Investors should also refer to "*Our Business", "Risk Factors", "Restated Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 164, 27, 233 and 302, respectively, to have an informed view before making an investment decision.

Qualitative factors

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

a. Leading manufacturer of ethyl acetate with significant market share;
b. Only Indian manufacturer of diketene derivatives with a significant market share and one of the largest portfolios of diketene products;
c. Diversified customer base across high growth industries and long-standing relationships with marquee customers;
d. Strategically located manufacturing facilities, vertical integration and supply chain efficiencies;
e. In-house research and development capabilities and consistent track record of technology absorption;
f. Global presence and low geographical concentration;
g. Differentiated business model, asset base, product mix and experience in handling complex chemistries create high entry barriers; and
h. Experienced promoter, board of directors and key managerial personnel.

For further details, see "*Our Business –Our Strengths*" on page 165.

Quantitative factors

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

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

I. Basic and diluted earnings per share ("EPS")

Fiscal/Period	Basic and Diluted EPS (₹)#	Weight
2020	2.86	3
2019	2.89	2
2018	3.03	1
Weighted Average	2.90	
Six month period ended September 30, 2020	2.02*	

**not annualised*

Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 45,016,395 equity shares of ₹ 10 each were sub-divided into 225,081,975 equity shares of face value of ₹ 2 each. EPS has been calculated after giving effect to such sub-division.

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 129 to ₹ 130 per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for Fiscal 2020	45.10	45.45
Based on diluted EPS for Fiscal 2020	45.10	45.45

Industry Peer Group P/E ratio

Particulars	Industry P/E (number of times)
Highest	35.46
Lowest	14.68
Average	21.70

Note:
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 of P/E for industry peer set disclosed in this section. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2020, as available on website of stock exchanges.

III. Return on Net Worth ("RoNW")

As per Restated Consolidated Financial Statements:

Financial Year ended	RoNW (%)	Weight
Fiscal 2020	16.45%	3
Fiscal 2019	16.13%	2
Fiscal 2018	20.01%	1
Weighted Average	16.94%	
Six month period ended September 30, 2020*	9.65%	

*not annualised
Return on net worth (%) = Net Profit as restated, attributable to the owners of our Company, divided by Net Worth as restated, at the end of the year/period.

'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

IV. Net asset value per Equity Share (face value of ₹ 2 each)

I. Restated Net Asset Value per Equity Share as per the Restated Consolidated Financial Statements:

As on March 31, 2020: ₹ 18.97
As on September 30, 2020: ₹ 20.99

II. After the Offer*:

(a) At the Floor Price: ₹ 36.86
(b) At the Cap Price: ₹ 36.88
(c) At the Offer Price: ₹ 36.88

**Including the Pre-IPO Placement.*
Note:

Net Assets Value per equity share (₹): Net Assets at the end of the respective periods divided by number equity shares outstanding at the end of respective periods. Net Assets means Total Assets minus Total Liabilities (excluding Revaluation Reserves)

V. Comparison with listed industry peers

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

Name of the company	Consolidated/ Standalone	Face value (₹ per share)	Closing price on March 31, 2020 (₹)	Total Revenue (in ₹ million)	EPS (₹)		NAV[(2)] (₹ per share)	P/E[(3)]	RoNW[(4)] (%)
					Basic	Diluted[(1)]			
Laxmi Organic Industries Limited#	Consolidated	2	-	15,341.23	2.86	2.86	18.97	-	16.45%
PEER GROUP									
Aarti Industries Limited	Consolidated	5	766.75	46,206.9	30.77	30.77	170.96	24.92	18.00%
Atul Limited	Consolidated	10	3,988.45	40,930.6	224.69	224.69	1063.63	17.75	21.12%
Fine Organic Industries Limited	Consolidated	5	1,906.05	1,0380.8	53.75	53.75	201.86	35.46	26.63%
Navin Flourine International Limited	Consolidated	2	1,211.65	10,615.53	82.6	82.53	285.46	14.68	28.42%
Rossari Biotech Limited**	Consolidated	2	-	6,000.94	13.42	13.23	56.49	-	7.88%
SRF Limited	Consolidated	10	2,783.3	72,094.1	177.29	177.29	858.26	15.70	20.66%

Note: # Based on the Restated Consolidated Financial Statements for the year ended March 31, 2020
***Was not listed as on March 31, 2020*
Peer group data is based on Annual Reports for the year ended March 31, 2020 of the respective companies.

(1) Diluted EPS refers to the diluted earnings per share of the respective company

(2) NAV is computed as the net worth at the end of the year divided by the closing outstanding number of equity shares except for our Company. For our Company, NAV per share has been calculated based on the following: Net assets at the end of the respective periods divided by number equity shares outstanding at the end of respective periods. Net Assets means total assets minus total liabilities (excluding revaluation reserves).

(3) P/E Ratio has been computed based on the closing market price of the equity shares (Source: NSE) on March 31, 2020, divided by the diluted EPS provided under Note (1).

(4) RoNW is computed as net profit attributable to owners of the company divided by net worth at the end of the year.

(5) Net worth is share capital and other equity, except for our Company. For our Company, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", *Management Discussion and Analysis of Financial Position and Results of Operations*" and "*Financial Information*" on pages 27, 164, 302 and 233, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To
The Board of Directors
Laxmi Organic Industries Limited
Chandermukhi, 3rd Floor
Nariman Point,
Mumbai 400021,
India

Dear Sir(s)

Sub: Statement of possible Special tax benefit ('the Statement') available to Laxmi Organic Industries Limited (the "Company"), the shareholders of the Company and its material subsidiary (M/s Laxmi Organic Industries (Europe) B.V) prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations').

1. We, hereby confirm that the enclosed Annexure 'A' prepared by **Laxmi Organic Industries Limited** ('Company') and initialled by us and the Company for identification purpose (the "Statement"), provides the possible special tax benefits available to the Company, to its shareholders and its material subsidiary (M/s Laxmi Organic Industries (Europe) B.V), under direct and indirect tax laws, including the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2020, i.e. applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act") read with Rules, Circulars, and Notifications ("GSR law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") as amended by the Finance Act, 2020 and the Finance (No. 2) Act, 2020, i.e., applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India (together, the 'Tax Laws'). Several of these benefits are dependent on the Company, its shareholders and its material subsidiary (M/s Laxmi Organic Industries (Europe) B.V), fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company, its shareholders and/or its material subsidiary (M/s Laxmi Organic Industries (Europe) B.V), to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexure covers only special tax benefits available to the Company, its shareholders and its material subsidiary (M/s Laxmi Organic Industries (Europe) B.V), and do not cover any general tax benefits available to the Company. The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering by the Company ("**Offer**").
3. In respect of the material Subsidiary, M/s Laxmi Organic Industries (Europe) B.V, we have relied on the certificate from their Statutory Auditor that the material subsidiary is not eligible for any special tax benefits.
4. We do not express any opinion or provide any assurance as to whether:
   (i) the Company, its shareholders or its material subsidiary (M/s Laxmi Organic Industries (Europe) B.V), will continue to obtain these benefits in the future; or
   (ii) the conditions prescribed for availing of the benefits where applicable, have been/would be met with.
5. 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.
6. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ('ICAI') which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

7. We hereby consent to the extracts of this certificate and the Statement being used in the Prospectus to be filed by the Company in connection with the Offer with the Securities and Exchange Board of India, Registrar of Companies, Maharashtra at Mumbai and the concerned stock exchanges and other Offer related materials.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No: 106971W

N Jayendran
Partner
Membership No. 40441
Ref No:
Place: Mumbai
Date: March 18, 2021
UDIN: 20140441AAAAAR4786

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

1. Special tax benefits available to the Company

There are no possible special tax benefits available to the Company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the Foreign Trade Policy 2015-2020.

2. Special tax benefits available to the Material Subsidiary (M/s Laxmi Organic Industries (Europe) BV)

The material subsidiary is not eligible for special tax benefit.

3. Special Tax Benefits to the Shareholders

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the Foreign Trade Policy 2015-2020.

Notes:

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

SECTION VI - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the Frost & Sullivan Report. We commissioned the Frost & Sullivan Report in connection with the Offer for the purpose of confirming our understanding of the industry. Neither we, nor any of the Book Running Lead Managers, any of their associates or affiliates or any other person connected with the Offer have independently verified the information included in the Frost & Sullivan Report. The industry related information provided in this section does not purport to contain all the information relevant to the recipient. You are advised not to unduly rely on the industry related information provided in this chapter when making your investment decision and industry related information contained in this section should not be construed as advice relating to business, financial, legal, taxation or investment matters. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors - We have commissioned and paid for an industry report from Frost & Sullivan, which has been used for industry related data in this Prospectus and such data has not been independently verified by us or the BRLMs" on page 51.

Further, the Frost & Sullivan Report includes data and statistics as of specific dates and may no longer be current or reflect current trends. Forecasts, estimates, predictions, and other forward-looking statements contained in the Frost & Sullivan 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. For the disclaimer of Frost & Sullivan, see "Certain conventions, use of financial information and market data and currency of presentation- Industry and market data" on page 17.

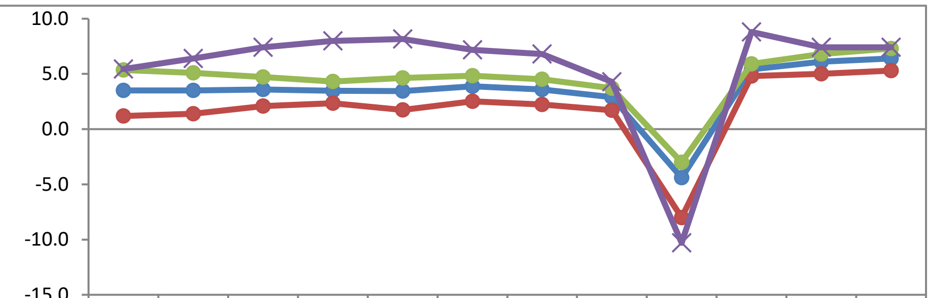
Macroeconomic Overview – Global

Gross Domestic Product (GDP) Growth

With the growth in the COVID-19 pandemic, the economic damage is already evident and represents the largest economic shock the world has experienced in decades.

The baseline forecast envisions a ~4.4% contraction in global GDP in 2020. Using market exchange rate weights- this has been the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. The deep recession triggered by this pandemic is expected to have short-term repercussions like low investments with the erosion of human capital and fragmentation of the global trade linkages. However, the medium-long term health of the economy will be healthy, with the demand expected to soar back to its pre-COVID levels. This is expected to be driven by the increased government investments and incentive schemes.

Real GDP Growth (%) 2012- 2023F

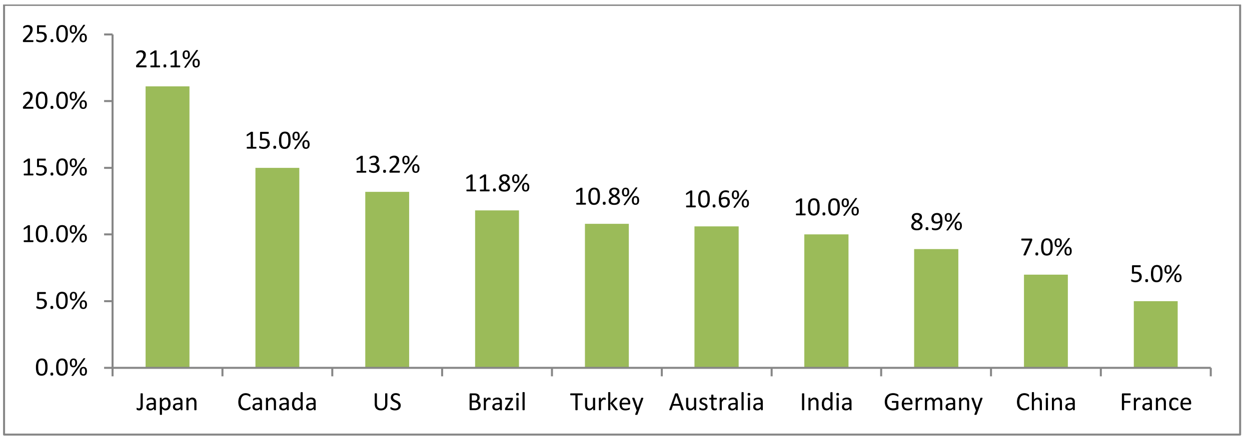


	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021F	2022F	2023F
World	3.5	3.5	3.6	3.5	3.4	3.9	3.6	2.9	-4.4	5.4	6.1	6.4
Advanced Economies	1.2	1.4	2.1	2.3	1.7	2.5	2.2	1.7	-8.0	4.8	5.0	5.3
Emerging markets & developing economies	5.3	5.1	4.7	4.3	4.6	4.8	4.5	3.7	-3.0	5.9	6.8	7.3
India	5.5	6.4	7.4	8.0	8.2	7.2	6.8	4.3	-10.3	8.8	7.4	7.4

Source: World Economic Outlook, International Monetary Fund Estimate-June 2020, Moody's Outlook, Frost & Sullivan

In order to address these issues, most of the large global economies have announced several stimulus packages to revive demand.

COVID-19 fiscal stimulus packages in G20 countries, as a share of GDP



Source: IMF

<u>Chemicals - The Recovery Driver</u>

As economies are gradually reopening for business, companies are turning their attention to recovery. As the market stands now, Frost & Sullivan forecasts the following developments in the chemical industry over the mid-term (2-3 years).

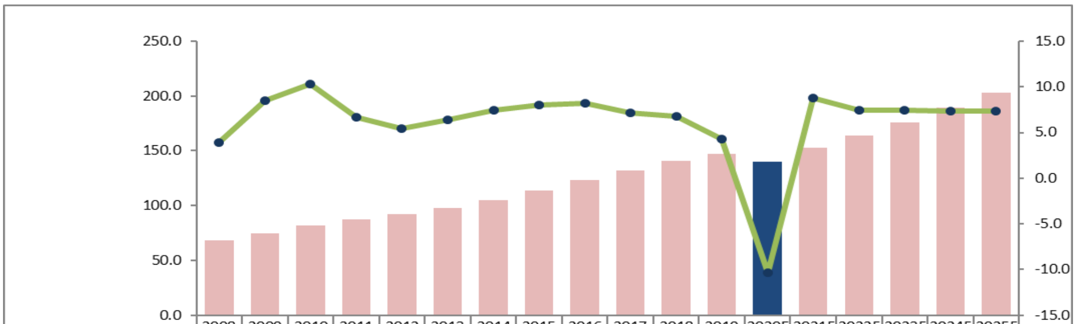
Specialty chemicals to drive growth; Agro-chemicals and Pharma-chemicals to be focus areas: Post the opening of the lockdown across major global economies, the specialty chemical industry was amongst the first to recover, given the increasing need for its inputs towards essential supplies such as pharmaceuticals,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

Macroeconomic Overview of India

Gross Domestic Product (GDP) Growth and Outlook

An already-slowing Indian economy has been derailed from its growth track after a stringent shutdown was imposed in March to halt the spread of Covid-19. India's GDP is expected to contract by 10.3% in FY21 – for the first time in four decades. Due to Covid-19, the GDP of Q1 of FY21 GDP declined by 23.9% at INR 26,895 Cr as compared to INR 35,353 Cr for the same period last year (Q1 FY20). The Private Final Consumption declined by 24% in Q1 FY21 as compared to Q1 FY20 and the Gross Final Capital Formation reduced by 48% for the same tenure.

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



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021F	2022F	2023F	2024F	2025F
GDP	68.5	74.3	81.9	87.4	92.1	98.0	105.3	113.7	123.0	131.8	140.8	146.8	140.2	152.6	163.9	176.1	189.0	202.9
GDP Growth (%)	3.9	8.5	10.3	6.6	5.5	6.4	7.4	8.0	8.2	7.2	6.8	4.3	-10.3	8.8	7.4	7.4	7.3	7.3

GDP GDP Growth (%)

Source: Moody's Outlook (Nov 2019) Moody's press release 2020, International Monetary Fund Estimate-June 2020, Dun and Bradstreet, Frost & Sullivan

<u>Strong Growth Path</u>

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

- **Aatmanirbhar Bharat Abhiyan:** Prime Minister Narendra Modi on May 12, 2020 announced the Aatmanirbhar Bharat Abhiyan which combined relief, policy reforms and fiscal and monetary measures to help businesses and individuals to cope with the situation created by the pandemic and helps transform India into a self-reliant economy.

- **Preferred Destination for Foreign Investment:** Lately, India has become an attractive destination for foreign investment owing to its large and rapid growing consumer market in addition to a developed commercial banking network, availability of skilled manpower and a package of fiscal incentives for foreign investors.

- **Strong and Diversified Industrial and Infrastructural Base:** India has established a strong and diversified manufacturing base for the production of a wide variety of basic and capital goods to meet the requirements of various sectors; and systematically rolled out a public-private partnership (PPP) programme for the delivery of high-priority public utilities and infrastructure.

- **Burgeoning Foreign Exchange (Forex) Reserves:** India's foreign exchange reserves (currently USD 500 Bn, the highest ever) provide confidence in the country's ability to manage the balance of payments.

- **Demographic Dividend:** Presently, India is one of the youngest nations in the world with more than 62% of its population in the working age group (15-59 years), and more than 54% of its total population below 25 years of age. Its population pyramid is expected to bulge around the 15-59 age groups over the next decade. This poses a formidable challenge as well as a huge opportunity.

The way forward is too uncertain and it is not possible to have a precise road map for the foreseeable future. However, given India's strong fundamentals and a clear roadmap to maintain the growth trajectory, the country will remain at the forefront of global economic growth.

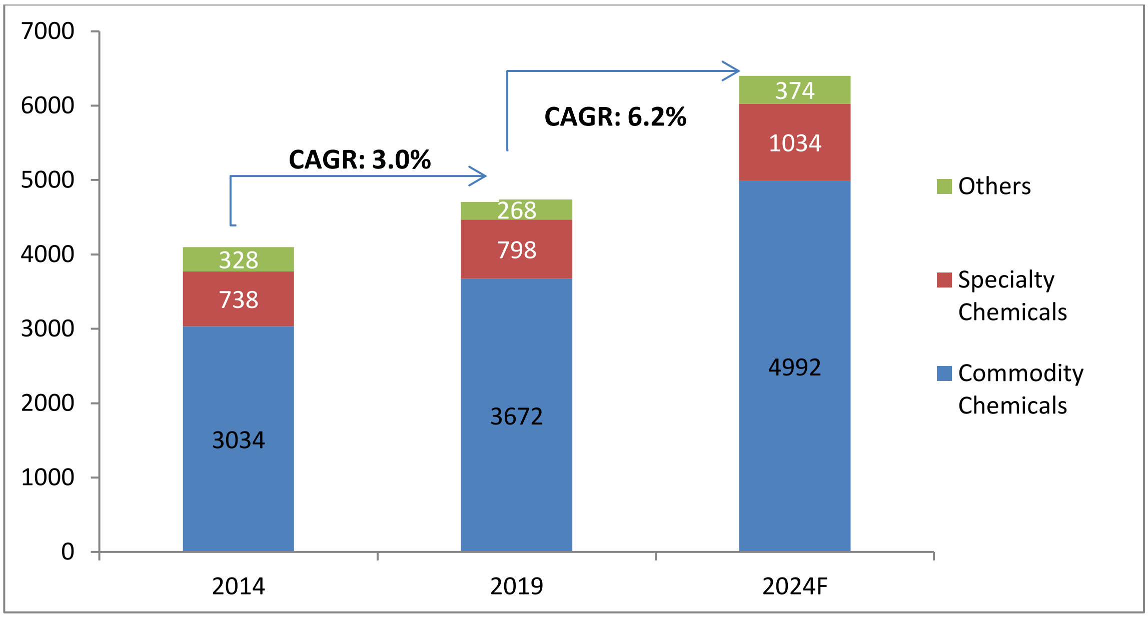
SPECIALTY CHEMICALS AND CHEMICALS MARKET

Global Overview

Global Chemicals Market

The global chemicals market is valued at around USD 4,738 Bn with China accounting for major market share (37%) in the segment followed by European Union (17%) and United States (14%). India accounts for ~3.5% market share in the global chemicals market. Going forward the APAC is anticipated to grow at the fastest rate of 7-8% during the forecast period (2019-24F). The chemicals markets in Western Europe, North America, and Japan are relatively mature and hence would record slow growth rates of around 3-4%.

Global chemicals market, 2014, 2019 and 2024F (USD 4100 Bn, USD 4738 Bn and USD 6400 Bn)



Source: Frost & Sullivan

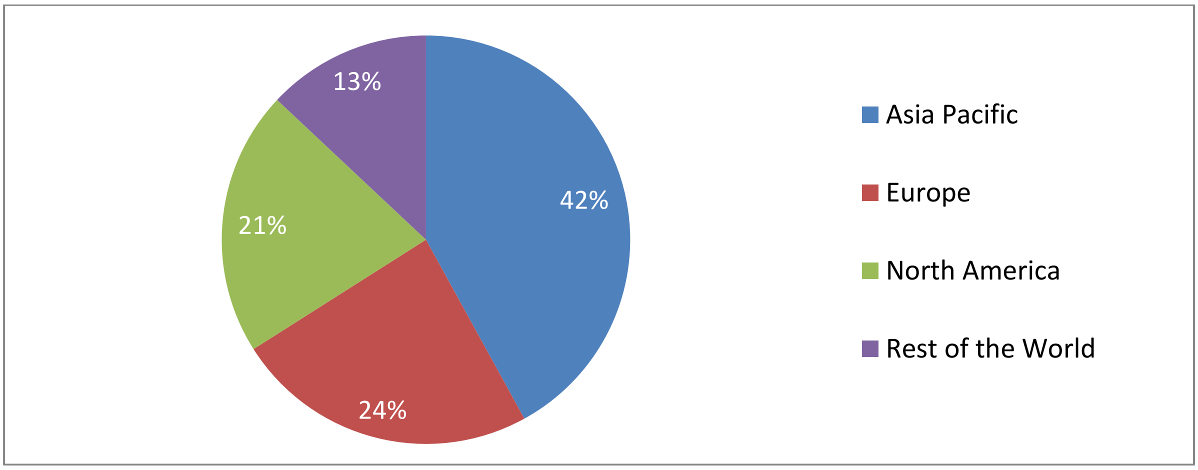
Note: Others mainly include Biotech chemicals among others

Global Specialty Chemicals Market

Specialty chemicals are low-volume and high-value products which are sold on the basis of their quality or utility, rather than composition. Thus, they may be used primarily as additives or to provide a specific attribute to the end product.

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

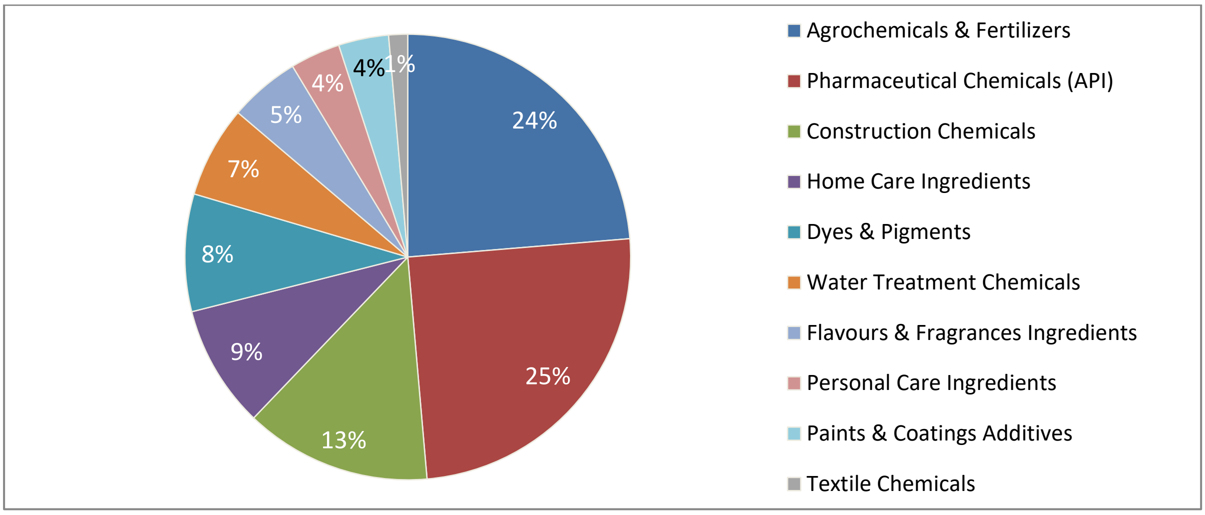
Global Specialty Chemicals Market by Geography, 2019, Value (USD 798 Bn)



Source: Frost & Sullivan

With a high population base and majority of countries being underdeveloped or developing nations in Asia Pacific (APAC), there is high rate of construction activities resulting in higher demand for construction chemicals and paints & coatings additives.

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



Source: Frost & Sullivan

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

Segments	(2019-24 CAGR)
Agrochemicals & Fertilizers	5.8%
Pharma Chemicals (API)	6.1%
Construction Chemicals	5.1%
Home Care Ingredients	5.7%
Personal Care Ingredients	6.2%
Paints & Coatings Additives	5.1%
Water Treatment Chemicals	5.4%
Textile Chemicals	3.9%
Flavours and Fragrances Ingredients	5.2%
Dyes and Pigments	4.7%

Source: Frost & Sullivan

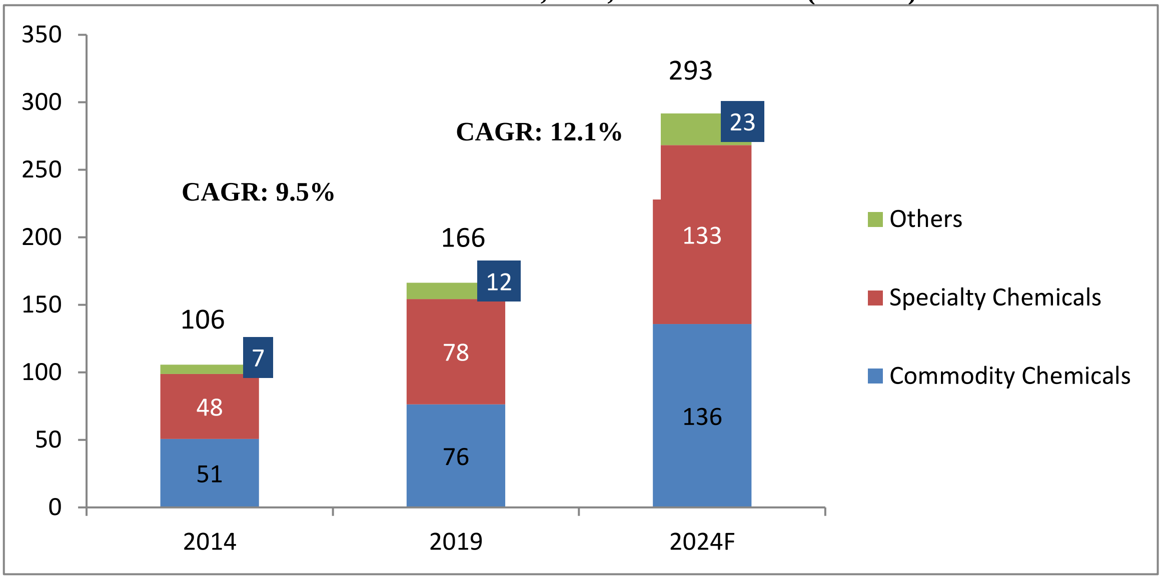
Impact of COVID-19

Many leading chemical manufacturers have reduced capital and operational expenditure to address the crisis. Capacity utilizations had scaled down to 40%-60% capacity due to labour shortages and disruptions in the supply of raw material since March, however companies are slowly getting back to pre-Covid levels. The supply chains are being reconfigured as competitive order of chemicals producers in the US, Middle East, China and Europe has changed. The demand for chemicals for automotive, transportation and consumer products sectors have fallen by ~20%-30% with the automotive industry almost coming to standstill in April-May. The products that have been less exposed to the prices of oil have seen stable prices whereas the crude dependent ones like petrochemicals have been highly impacted.

Indian Overview

The Indian chemicals market is valued at USD 166 Bn (~4% share in the global chemical industry) with the commodity chemicals accounting for almost 46%. It is expected to reach ~USD 280-300 Bn in the next 5 years, with an anticipated growth of ~12% CAGR. The specialty chemical industry forms ~47% of the domestic chemical market, which is expected to grow at a CAGR of around 11-12% over the same period.

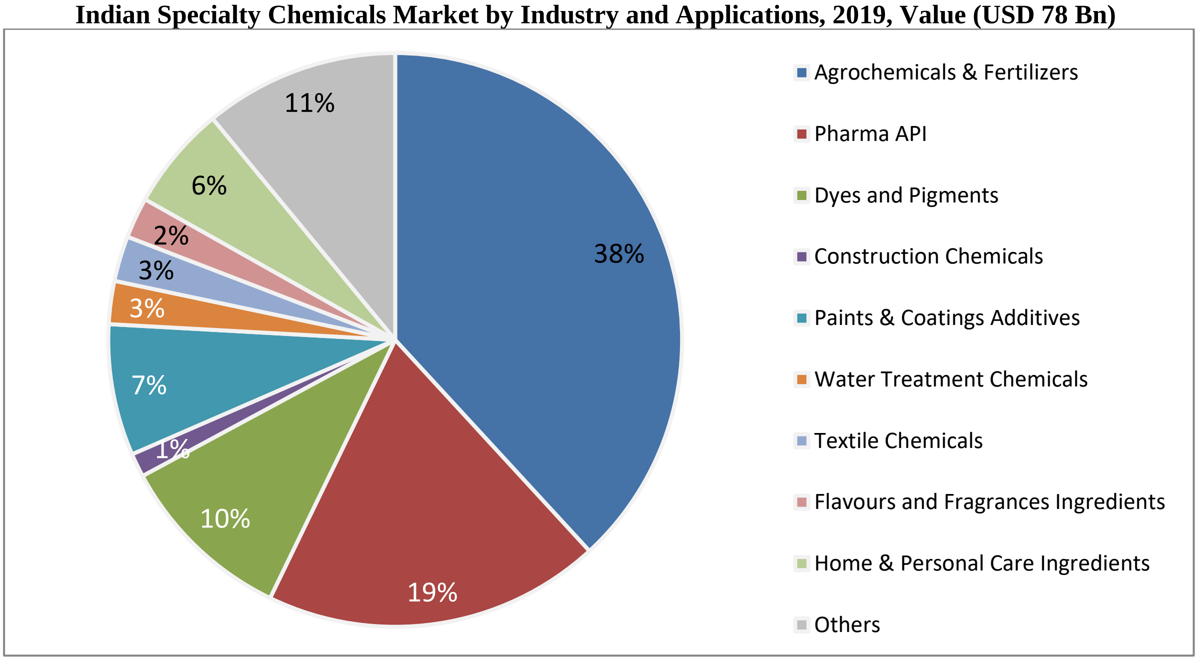
Indian Chemicals Market, 2014, 2019 and 2024F (USD Bn)



Source: Frost & Sullivan

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

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



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

Source: Frost & Sullivan research & analysis

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

Segments	India Market, (2019-24 CAGR)
Agrochemicals & Fertilizers	10.1%
Pharma Ingredients (API)	11.3%
Construction Chemicals	10.5%
Paints & Coatings Additives	10.8%

Segments	India Market, (2019-24 CAGR)
Water Treatment Chemicals	8.6%
Textile Chemicals	8.9%
Flavours & Fragrances Ingredients	12.8%
Home & Personal Care Ingredients	11.2%
Dyes & Pigments	11.4%

Source: Frost & Sullivan

Impact of Make in India

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

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 and judicial pronouncements.

Moving forward, with a total of over 300 USFDA approved manufacturing sites, the country can become the global leader in the CRAMS industry with the implementation of mandates including Schedule M (Good Manufacturing Practices (GMP) for Premises & Materials and Requirements of GMP in Plant and Equipment)outlining various requirements for manufacturing good quality drugs and pharmaceuticals, by applying Current Good Manufacturing Practice (CGMP) guidelines.

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

In addition to the production linked incentive (PLI) scheme, the Department of Pharmaceuticals (DoP) is planning to allow the industry to import a maximum of 30% of the total value of chemicals/ intermediates. Having categorised pharma as a 'priority sector', the government is aggressively working on creating a single-window clearance to expedite FDI and domestic investment in the pharma sector.

The government is also expected to introduce a production-linked incentive scheme for the agro-chemicals sector with incentives of 10-20% output and creating an end-to-end manufacturing ecosystem through cluster development.

The government has 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.

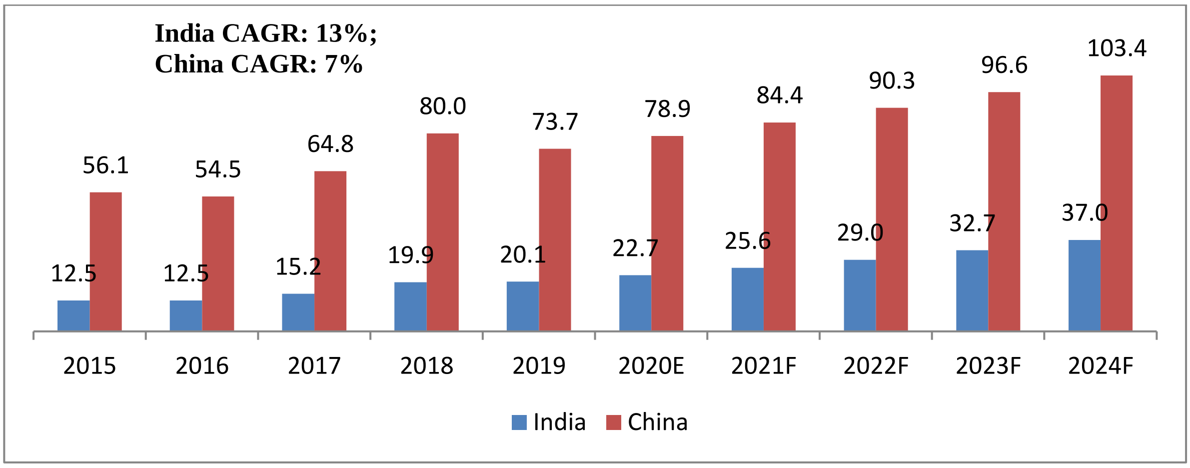
The Chinese government started implementing stricter environmental protection norms from January 2015. With the focus on controlling pollution, the Chinese Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals. Some of the major steps taken were:

- 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

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

Chemicals Exports Trend – India vs China (2015 – 19 Actuals, 2020 – 24 Forecast), USD Bn



Source: World Bank, Frost & Sullivan

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

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

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

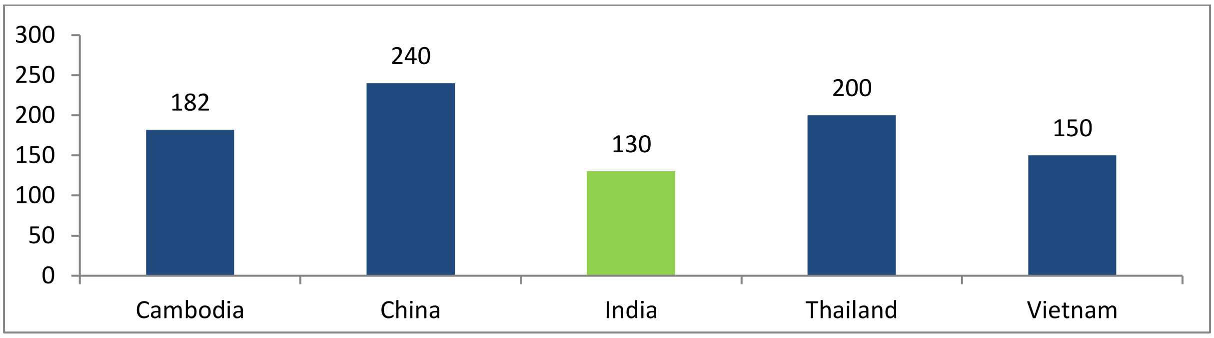
With new regulations in place and the Chinese companies adhering to new norms, they are expected to bounce back with certain level of reforms in the way of operations. Whenever the Chinese companies make a comeback, it would be at a significantly higher cost of production given the significant investment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

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

Cost and Availability of Skilled Labour in India and China

Labour represents one of the main costs of manufacturing goods. And importers have watched China's labour costs soar in recent decades, often growing by 10-15% annually.

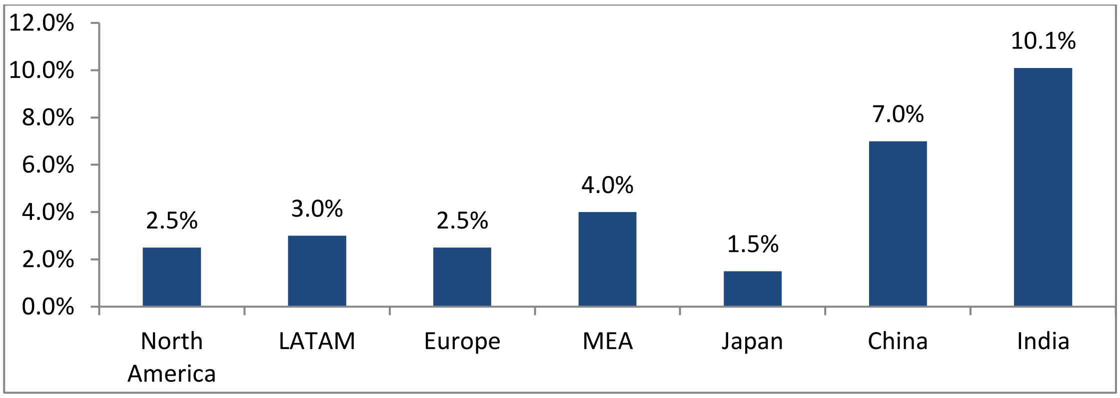
Average Monthly Minimum Wage (USD)



Source: ASEAN Briefings

And importers of labour-intensive products, like specialty chemicals, are in the best position to realize cost savings by moving to India.

Region-wise Speciality Chemicals Growth, 2019-24, %



Source: Frost & Sullivan

Infrastructure developments in India

In Union Budget 2020–21, the Government has given a massive push to the infrastructure sector by allocating Rs 1,69,637 crore (USD 24.27 Bn) to enhance the transport infrastructure. Government of India allocated Rs 111 lakh crore (USD 1.4 Tn) under the National Infrastructure Pipeline (NIP) for FY 2019–25. Sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) amount to ~71% of the projected infrastructure investments in India. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy, and urban transport.

Impact of COVID-19

With a longer shut down and delayed response in market opening up, demand in 2020 is expected to drop by almost 50% of normal growth for most chemicals in India. Regulatory pressures to ensure standardized quality will take a significant toll on supply moving forward. ~65% of the key raw materials are imported from China; this will affect supplies around 3-4 months even after markets open up.

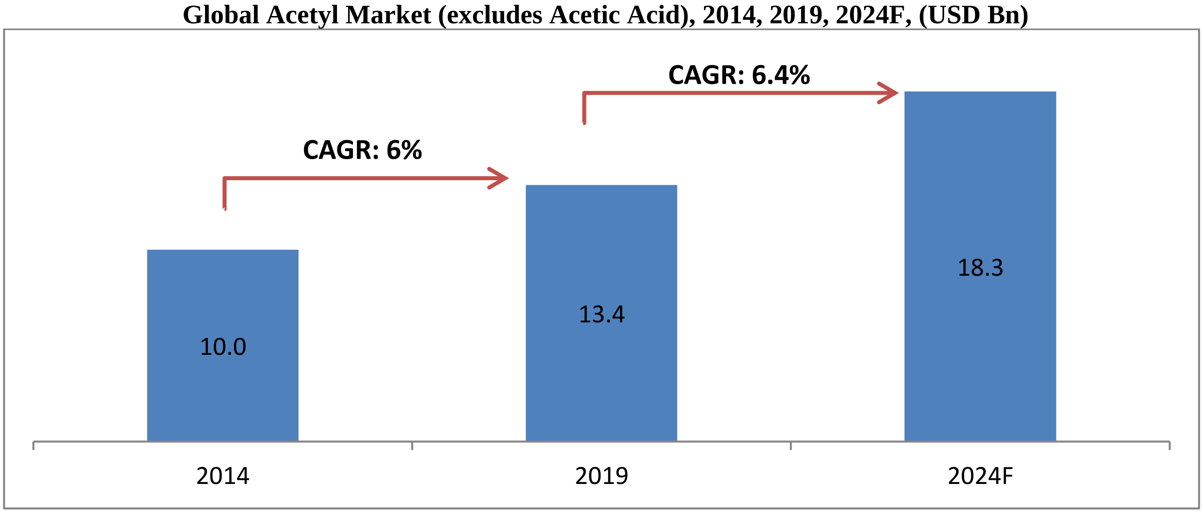
It is a ripe opportunity for Ministry of Micro, Small and Medium Enterprises (MSME)'s to fill the gap in imports for select chemicals. The Government has deferred Equated Monthly Instalment (EMI)'s to ease the flow of working capital. The fundamental factors such as growing population and per capita chemical consumption depict a bright future. Opportunity for domestic capacity scale-up, developing alternative sources of supply and Investment in backward integration have opened up, so are the markets for exports where companies are looking for alternatives for China.

GLOBAL ACETYL INDUSTRY OVERVIEW

Acetyl group is an organic compound with formula CH3CO- which is the combination of methyl group (CH3) and a carbonyl (CO) part making it a subset of the Acyl Group (an organic compound with the chemical formula R-CO where "R" is any Alkyl group which can be Methyl or Ethyl or any other). Acetyls are used as intermediates in a wide range of applications such as solvents, adhesives, water-based paints, pharmaceuticals, dyestuff, emulsifiers etc.

Ethanol is used as a basic raw material or platform for production of Acetyls and is widely manufactured through the fermentation route, another route being gasification. Ethanol based acetyls includes several products like Acetic Acid, Acetaldehyde, Ethyl Acetate, etc.

Global Acetyl Market (excludes Acetic Acid), 2014, 2019, 2024F, (USD Bn)

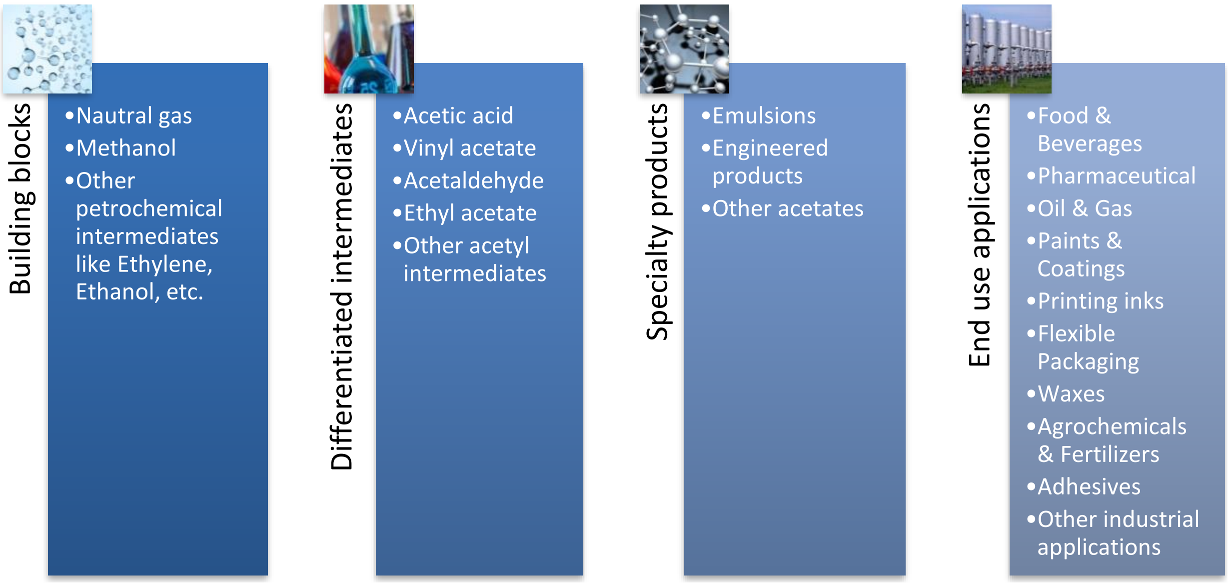


Source: Frost & Sullivan

The global Acetyl market is projected to grow at 6.4% growth rate over the next five years owing to strong demand from end use applications. The Acetyl market is valued at USD 13.4 Bn in 2019 which is expected to reach USD 18.3 Bn by the end of year 2024. The primary demand drivers of the global Acetyl market include increased demand for acetyls from drug delivery system, increased disposable income and per capita flexible packaging consumption over the globe, etc.

Acetyls Market Value Chain

The Acetyl value chain constitutes of various building blocks used for manufacturing the acetyl intermediates which are further used for manufacturing the specialty products that used in multiple end use industry applications. Many companies having a presence in the acetyl value chain take advantage of margins earned from high volume trade as well as vertical integration operation.

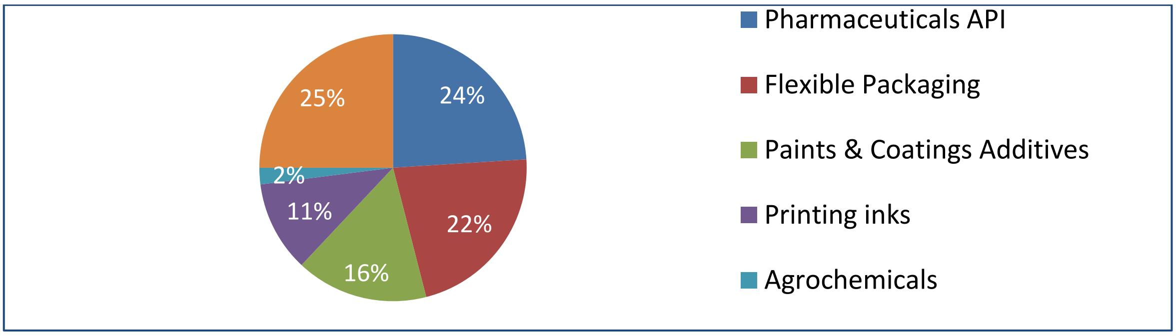


Source: Frost & Sullivan

Many of the Acetyl intermediates are captive consumed by manufacturers in order to produce the forward integrated products in the value chain, taking advantage of higher margins when reaching closer to end use application. Acetic Acid is one of the high volume acetyl intermediates having more than 12 MMT market globally (FY 2019).

Global Acetyls Market by End-Use Application Industries

Global Acetyl market by End-Use Application segments (excludes acetic acid), 2019 (USD 13.4 Bn)



Source: Frost & Sullivan

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

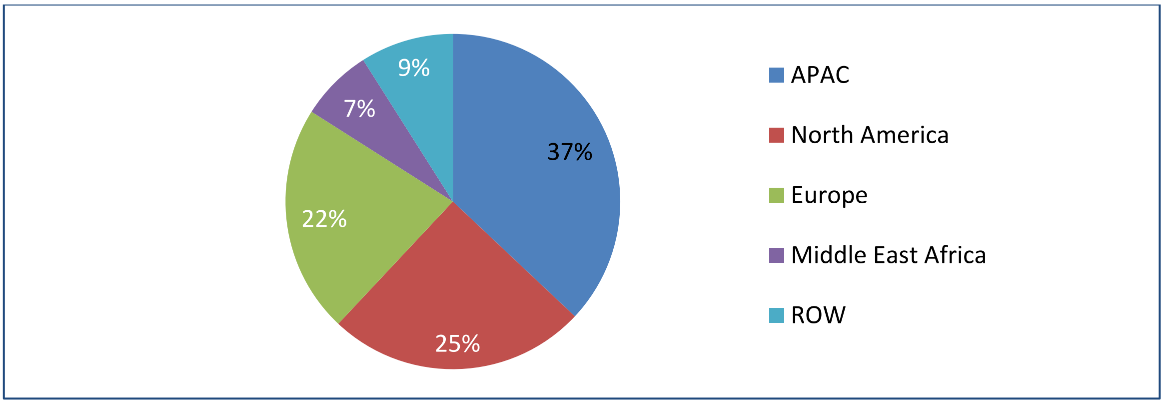
Segments	Key Growth Drivers	2019-24 CAGR
Food & Beverages	• Increasing global population, and consequent requirement to feed 11 Bn people by 2050. • New demand for flavour & essences agricultural products would also be created by the use of new technology improving shelf life of the food products (e.g. packaging, preservatives, etc.)	6.6%
Pharmaceuticals	• Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for	6.5%

Segments	Key Growth Drivers	2019-24 CAGR
API	domestic consumption of Pharmaceutical chemicals	
Printing inks	• Demand from end-use segments like flexible packaging, banner printing, etc. • Increased usage of high evaporation rate solvents in the manufacturing process	5.5%
Cosmetics	• Growth in demand for personal care products is driven primarily by emerging markets in the Asia-Pacific region, particularly China and India which are expected to grow at more than 10% CAGR. • USA and Europe are expected to grow at ~4% primarily driven by the shift towards natural active ingredients.	6.5%
Paints & Coatings Additives	• Demand driven by growing automotive industry, increasing urban population, rising household consumption expenditure and improving economic conditions	5.1%
Flexible packaging	• Increasing per-capita consumption of flexible packaging where various acetyl based solvents are used • In emerging markets, strong economic growth resulting in greater industrial spending in flexible packaging segment will drive growth of this segment.	6%
Aluminium foils	• Increasing demand from food packaging segment in order to keep it afresh • Food & Beverage industry is growing at ~22% CAGR in some of the developing economies like India, China, etc. giving a way for usage of aluminium foils for packaging	5.5%
Flavours and Fragrances Ingredients	• Strong growth in low-fat and low-carbohydrate foods and beverages in North America • Higher consumer willingness to experiment with new flavours and fragrances • Increased production of processed foods in developing countries causing a spurt in the demand for flavours • A shift in perception of fragrance from being a nonessential attribute to an indispensable part of personal care	5.2%
Dyes and Pigments	• Growth is demand for high performance pigments (HPP) which are highly durable pigments, resistant to UV radiation, heat and chemical • Use of eco-friendly colorants such as low impact dyes is emerging	4.7%

Source: Frost & Sullivan

Global Acetyls Market by Geography

Global Acetyl market segmentation by Geography, 2019 (USD 13.4 Bn)

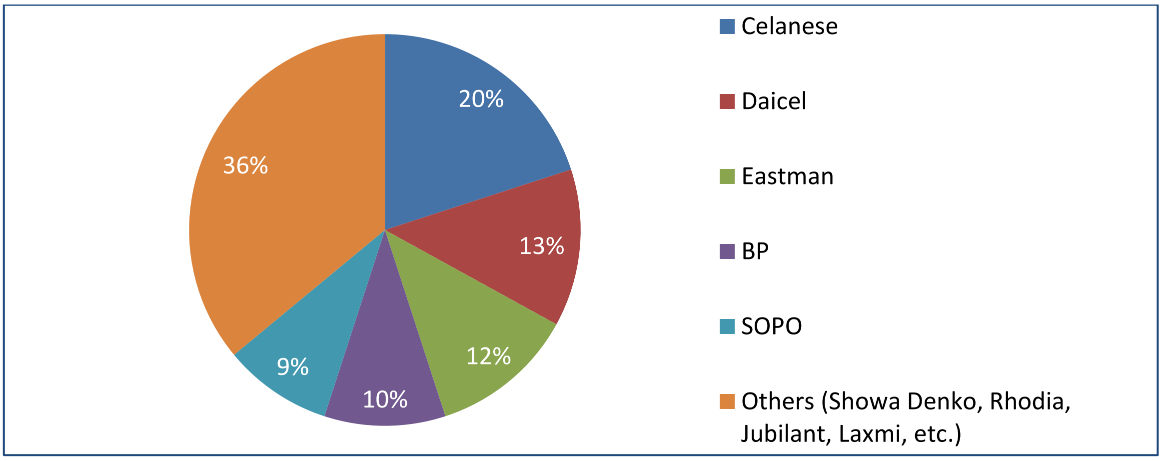


Source: Frost & Sullivan

The Asia-Pacific market dominated the global acetyls market in 2019 owing to the increasing demand from end use applications like CASE (coatings, adhesives, sealants and elastomers), food & beverage and pharmaceuticals segments. Moreover, the rising geriatric population coupled with the affordability of generic drugs is expected to fuel the demand in the region.

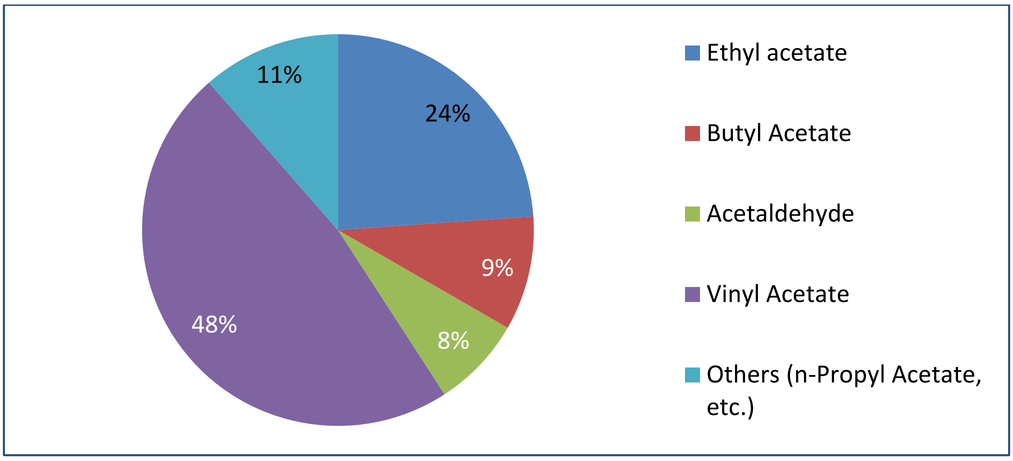
Global Acetyls Market by Competitors

Global Acetyl market segmentation by Competitors (excludes Acetic Acid), 2019 (USD 13.4 Bn)



Source: Frost & Sullivan

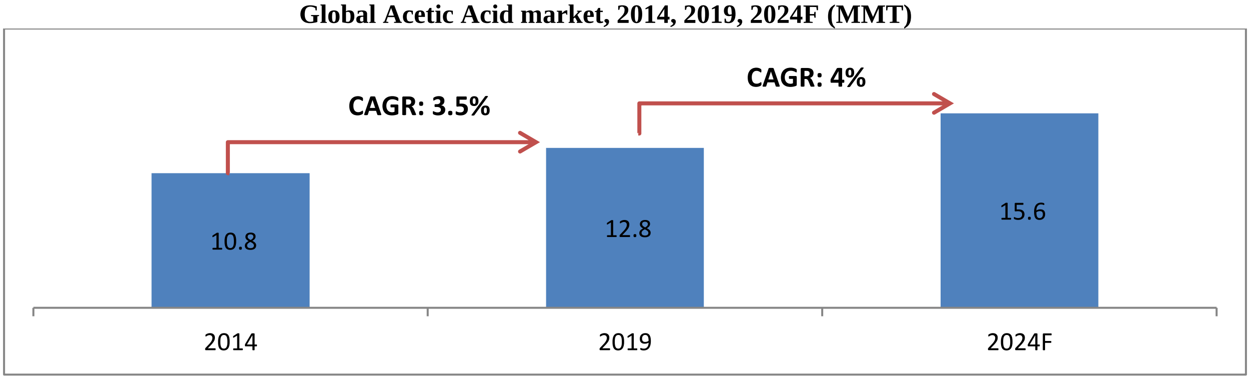
Global Acetyl market segmentation by Product Type (excludes acetic acid), 2019 (16.6 MMT)



Source: Frost & Sullivan

Global Acetic Acid Market (Major Precursor)

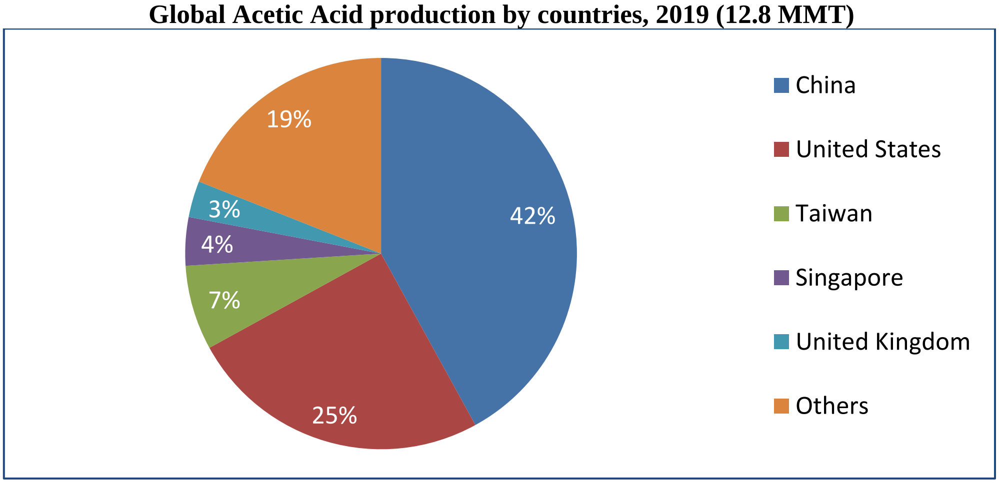
Global Acetic Acid market, 2014, 2019, 2024F (MMT)



Source: Frost & Sullivan

The Asia-Pacific region is estimated to lead the market, due to its rapid growth in the global textile market. The growing population coupled, with improving economic conditions, such as, the rising GDP and disposable income of the people, are some of the factors contributing to the growth of the Asia-Pacific market.

Global Acetic Acid production by countries, 2019 (12.8 MMT)



Source: Frost & Sullivan

China produces ~5.7 MMT of Acetic Acid and is the largest supplier with a share of 42% with a total installed capacity of is 6.5 MMT (FY2019). India produced ~ 160 KT of Acetic Acids during FY2019; India is majorly an import dependent economy for Acetic Acid. The total production from APAC is estimated to be 71% of the global supplies.

Ethyl Acetate market constitutes to 16% of the total demand for Acetic Acid. Butyl Acetates are also solvents in the printing inks, paints and adhesives market making up for 7% of the total acetic acid demand. Apart from the other common uses, Acetic Acid also finds application in the Textile, Pharmaceutical, Photographic, Dyestuff, Pesticide and Rubber industry. It is used to make specialty chemicals such as Sorbic acid.

Global Ethanol and Ethyl Acetate Market (one of the major acetyls)

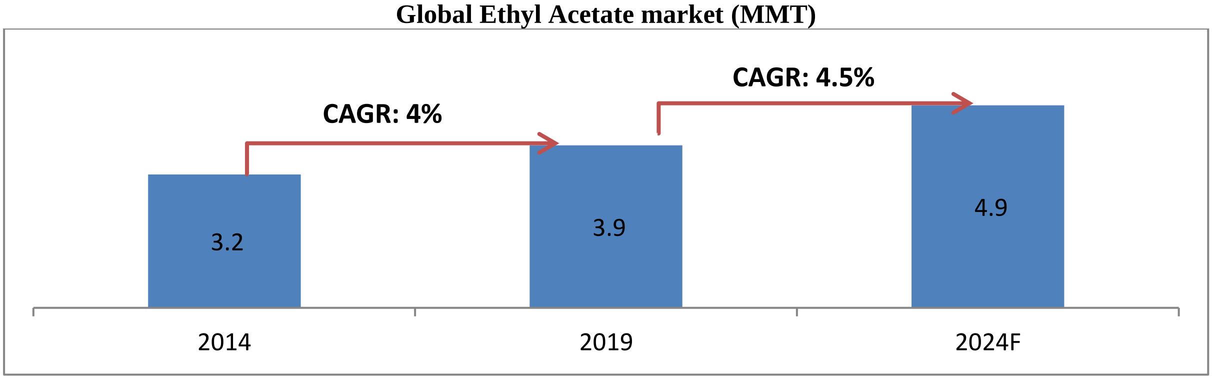
The global ethanol market was valued at USD 49-50 Bn in 2019 and is expected to reach USD 53-54 Bn by 2024. The major players operating the global ethanol market include Cargill Inc., Archer Daniels Midland Company, Grain Processing Corporation, Ace Ethanol LLC, Advanced Bio Energy LLC, MGP Ingredients, Flint Hills Resources, Marquis Energy, and various others.

Ethyl Acetate

The global Ethyl Acetate market is expected to grow at a CAGR of more than 4.5% over the next decade in terms of volume. The global Ethyl Acetate market is projected to grow from ~4 MMT in 2019 to ~5 MMT by 2024F, pertaining to consumption led demand from APAC region.

The global Ethyl Acetate capacity was ~5 MMT in 2019 with capacity utilization at ~80%; China has historically been a leader in the supply of Ethyl Acetate driven by ample raw material availability & high end use growth. The global Ethyl Acetate market stands at ~4 MMT in 2019. China is the largest exporter of the product, with EU and NE Asia being the key importing regions.

Global Ethyl Acetate market (MMT)



Source: Frost & Sullivan Research & Analysis

Almost 80% of the global Ethyl Acetate demand is catered by Asia, with the region also being the largest demand centre; North America & Europe region are also among the large consumers. China is the largest producer of Ethyl Acetate followed by NEA, India and SEA. Asia is the largest supplier of Ethyl Acetate. South East Asia is dependent on imports from China and North East Asia. India is a net exporter of Ethyl Acetate, mainly to EU & MEA.

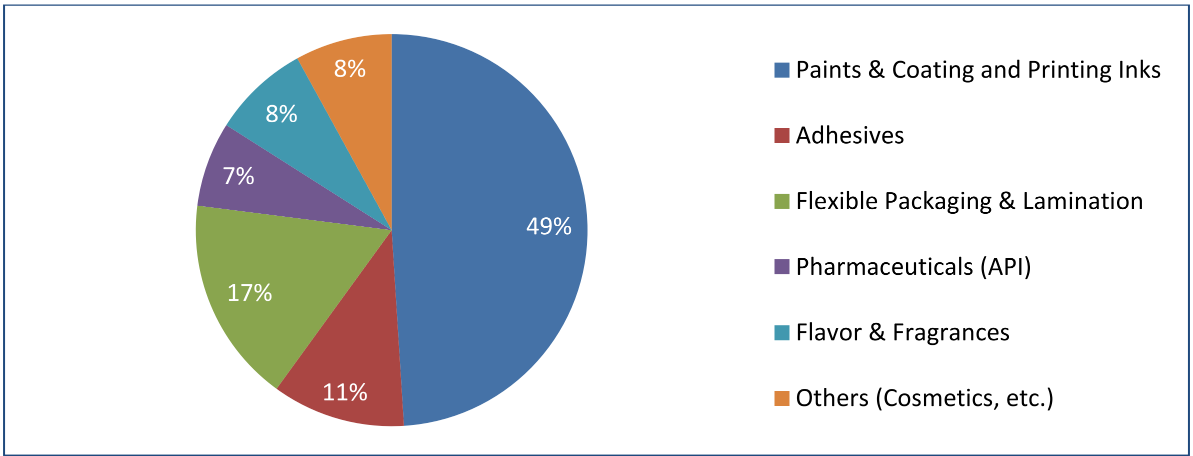
The other competitive solvents such as Toluene, MIBK, MEK, Acetone, Cyclohexane, etc. are getting replaced with the greener solvent Ethyl Acetate in the industrial applications. This is predominantly due to the following:

- Faster evaporation of solvent helps in quick drying in end-use application
- Companies claim the bio-content of the raw material (Ethyl Acetate) from their manufacturing operations
- Eliminating the 'dangerous substances' tag from the product label of manufactured goods (where greener solvents like Ethyl Acetate is used)
- Less toxicity of Ethyl Acetate when exposed to humans; Acceptable allowance of ETAC in the human body is more than other solvents
- Optimum solubility in the solvent blends

The European regulation concerning the 'Registration, Evaluation, Authorisation and Restriction of Chemicals' (REACH) has introduced restrictions on toluene with specific conditions. REACH is now affecting the import and usage of a wide range of chemicals in Europe. Any products found not to comply with the conditions established in REACH are removed from the market through the ‘rapid alert system for dangerous non-food products’ (RAPEX) information scheme. In 2015, REACH banned products including glues containing toluene, chloroform, or benzene. In view of health hazards, this ban might be adopted by other regions as well.

In terms of capacity, the Asia Pacific region dominates the market with ~82% of Ethyl Acetate capacity over the globe followed by Europe (8%), LATAM (6%), North America (2%) and MEA (2%). Within the Asia Pacific region, China dominates the Ethyl Acetate capacity with many players being backward integrated in the value chain. China has historically been a leader in the supply of EA driven by ample raw material availability & high end use growth.

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



Source: Frost & Sullivan

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

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

Source: Frost & Sullivan

Key plant capacities of Ethyl Acetate

Category	2019 (MT)
Sopo Chemical (Jiangsu CN)	5,00,000
INEOS (Hull UK)	3,35,000
Handsome Chemicals (Jiangmen CN)	5,00,000
Jinyimeng Chemical (Shandong CN)	2,80,000
Celanese (Mexico, US, Singapore)	2,59,000
Wujing Chemical (Shanghai CN)	2,00,000
Showa Denko (Oita Japan)	1,00,000
Rhodia (Paulinia Brazil)	1,00,000
Others (Eastman, Korea Alcohol, Sasol, etc.)	31,67,900
Total	**49,41,900**

Source: Frost & Sullivan

Key plant capacities of Ethyl Acetate in India

Company	Plant Location	Capacity (KT)	2019 Production (KT)	Utilization
Jubilant Life Sciences	Nira MS & Gajraula UP	150	118	79%
Laxmi Organics	Mahad, Maharashtra	127	104	82%
Yellowstone Chemicals Pvt. Ltd.	Maharashtra	40	20	50%
Godavari Biorefineries	Sakarwadi, Maharashtra	105	86	82%
GNFC	Bharuch, Gujarat	55	63	114%
IOL Chemicals	Barnala, Punjab	87	42	48%
Dhampur Alcochem	Bijnor, UP	50	24	46%
Satyam Petrochemicals	Karad, Maharashtra	50	19	39%
Ester India	Sahibabad, UP	12	9	79%
Others (Shatabdi, etc.)	Ghaziabad, UP, etc.	19	9	47%

Source: Frost & Sullivan

Impact of COVID 19

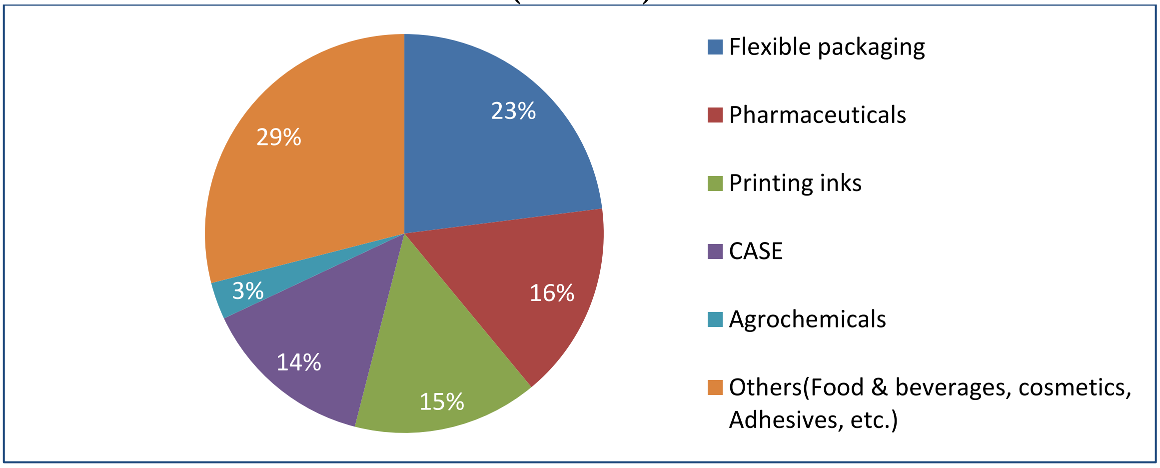
There has been a mixed effect of COVID-19 on the acetyl intermediates business. The industry has witnessed an increase in sales and growth in flexible packaging and aluminium foil segment used to package the food & beverages; this could be due to the consumer preference to hygienic food. The acetyls used in flexible packaging and aluminium foil segment include Ethyl acetate and other acetyl intermediate solvents. This has increased demand for Ethyl acetate during the COVID-19 times. Another high growth segment includes pharmaceuticals where acetyls like ethyl acetate are used as solvents. Healthcare sector was in demand during COVID crisis, which impacted positively on the pharmaceutical segment. As a result, acetyl demand in API manufacturing and bulk drugs formulation was seen higher. However, the other commodities used in end applications like paints, coatings, adhesives, sealants, elastomers, etc. have been severely impacted due to the low demand attributed by the lockdowns imposed by various countries in all the continents.

India - Acetyl Industry Overview

Indian Acetyl market is projected to grow at 6.6% growth rate over the next five years owing to the demand from the end use applications. The Acetyl market is valued at USD 1.5 Bn in 2019 which is expected to reach USD 2.1 Bn by the end of year 2024.

India Acetyls Market by End-Use Application Industries

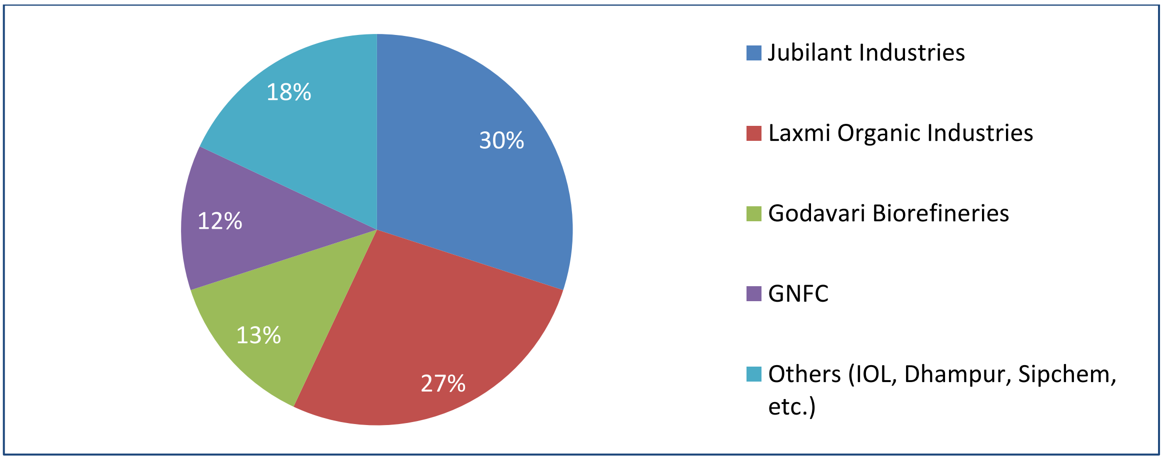
India Acetyl market by End-Use Application segments (excludes Acetic acid), 2019 (0.73 MMT)



Source: Frost & Sullivan

The India Acetyl market has ~70% market share concentrated in 5 applications viz. flexible packaging, pharmaceuticals, printing inks, CASE (coatings, adhesives, sealants and elastomers) and agrochemicals industry. In the pharmaceuticals industry, Acetyls are used in the drug delivery system and manufacturing of API. Acetyl's like Ethyl Acetate is consumed at GSK to manufacture IPA's like Ceftin, Stieprox, Fortaz, etc.

India Acetyl market segmentation by Competition (excludes acetic acid), 2019 (0.73 MMT)



Source: Frost & Sullivan

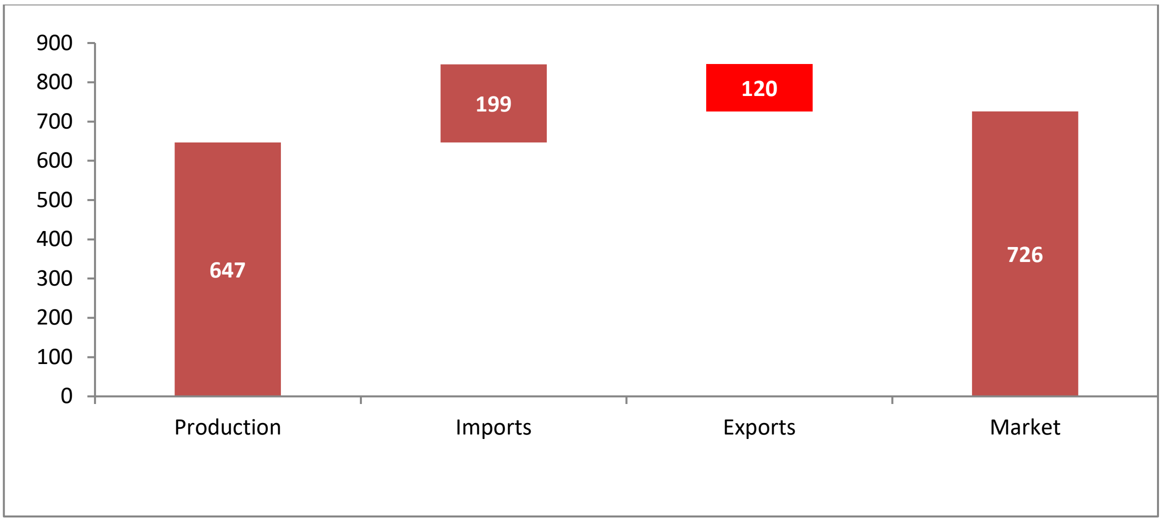
The Indian Acetyl market has been dominated by domestic suppliers like Jubilant Industries, Laxmi Organics, Godavari bio-refineries and GNFC; they hold strong positions in the domestic market and make up for majority of the market by volume. Some of the foreign players like Sipchem, etc. have minor shares in the domestic acetyls market. GNFC has a presence in acetic acid which is forward integrated for producing various acetates like Ethyl Acetate, etc. The other players import significant portions of their raw materials from China and SEA.

India Acetyls Market Trade Scenario

India imports 1/4th of its Acetyl demand producing almost 75% Acetyls locally. ~20% of the manufactured Acetyls are exported to various destinations from India. India Acetyls market demand was 0.73 MMT in 2019 and is projected to grow at ~4.4% CAGR to more than ~0.9 MMT by the end of 2024.

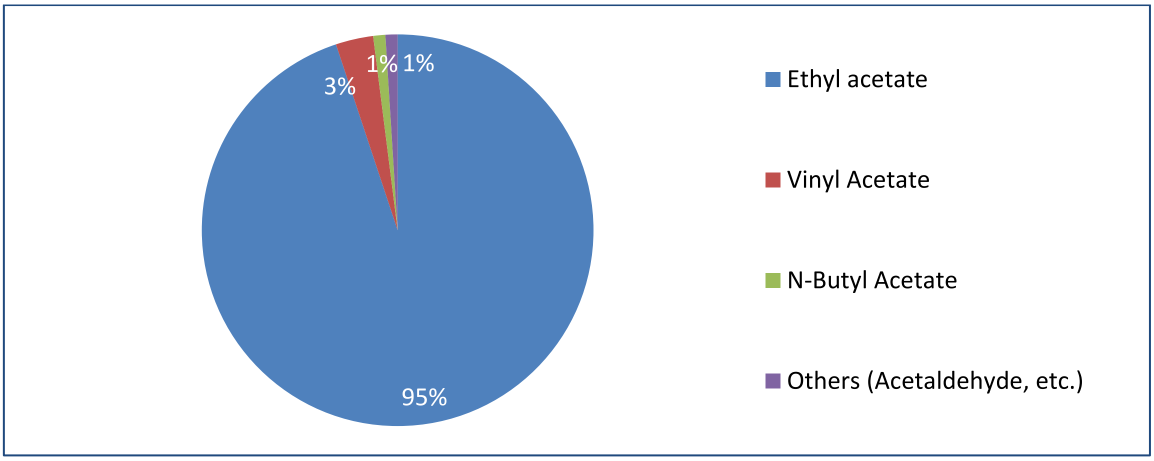
India Acetyl market Trade scenario (excludes acetic acid), 2019

(Demand – 0.73 MMT, Trade – 0.08 MMT)



Source: Trade Map, Frost & Sullivan

India acetyl market segmentation by Exports, 2019 (0.12 MMT)



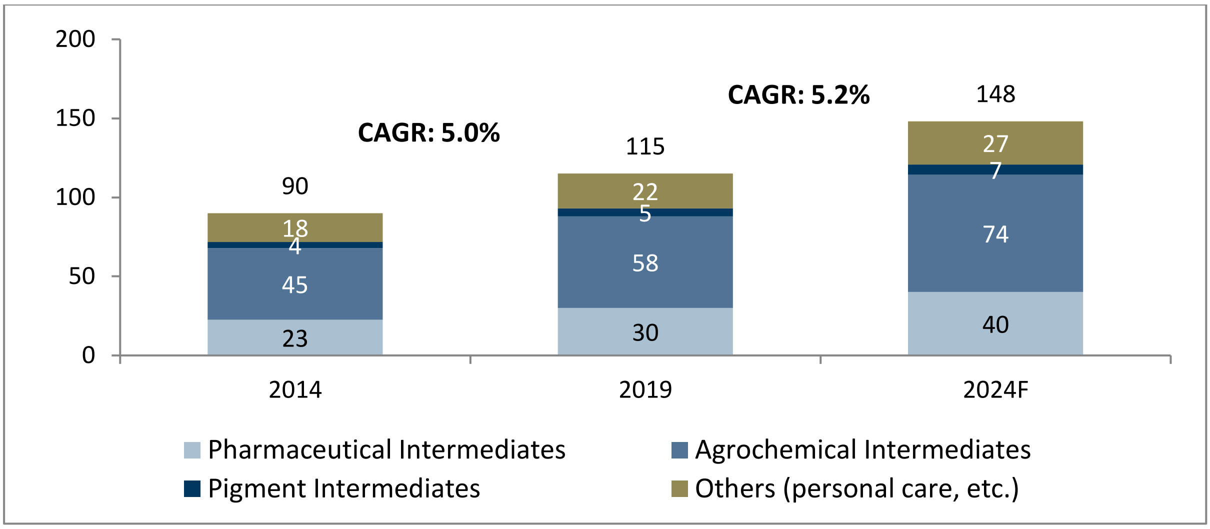
Source: Trade Map, Frost & Sullivan

SPECIALTY INTERMEDIATES

Global Speciality Intermediates Market Overview

The global specialty intermediates market stands at USD 115 Bn in the year 2019, and is projected to grow at 5.2% CAGR by 2024F and estimated to reach USD 148 Bn. This growth is primarily driven through the high growth end-use segments such as pharmaceuticals, agrochemicals, paints and coatings, personal care, flavour & fragrances, etc.

Global Speciality Intermediates Market, Growth Trend, 2014, 2019, 2024F (USD Bn)

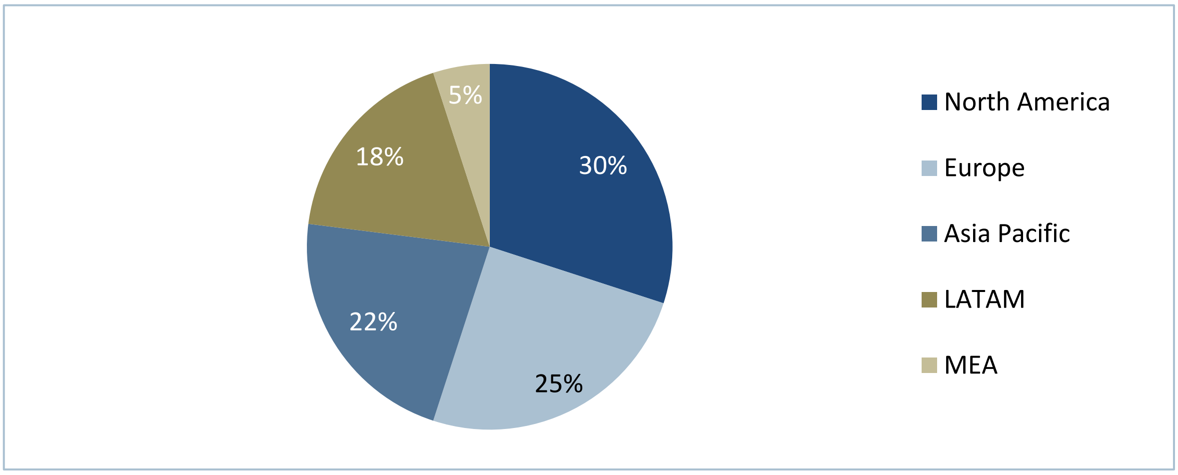


Source: Frost & Sullivan

Specialty Intermediates growth by market segments globally

Intermediates	CAGR 2019-24F (%)
Pharmaceutical intermediates	6-7%
Agrochemical intermediates	5-6%
Pigment intermediates	5.5-6.5%
Other Intermediates (personal care, etc.)	4.5-5.5%

Global Specialty Intermediates market segmentation by Geography, 2019, USD 115 Bn

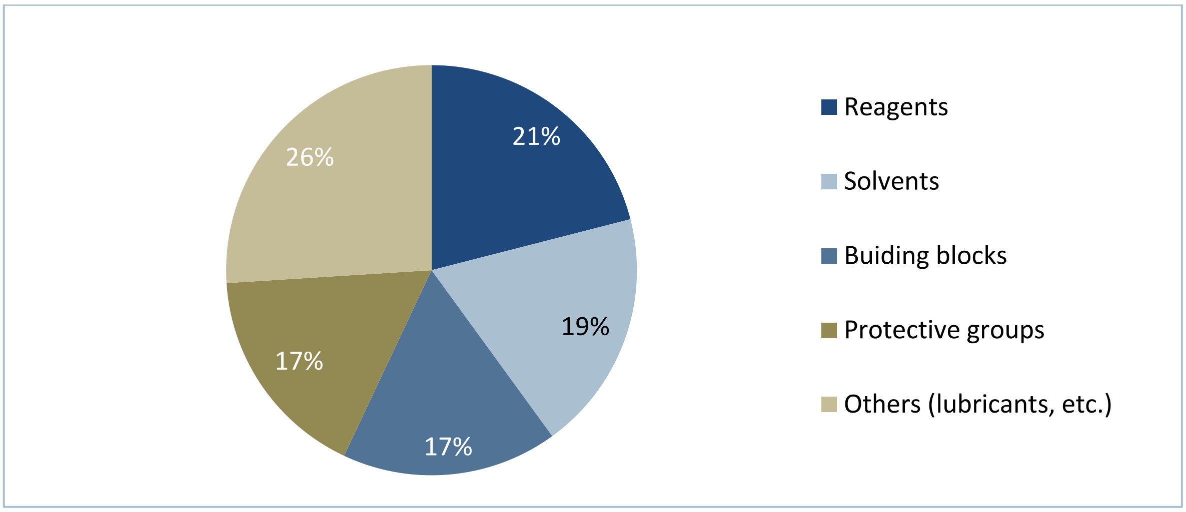


Source: Frost & Sullivan

Global Specialty Intermediates market by Type

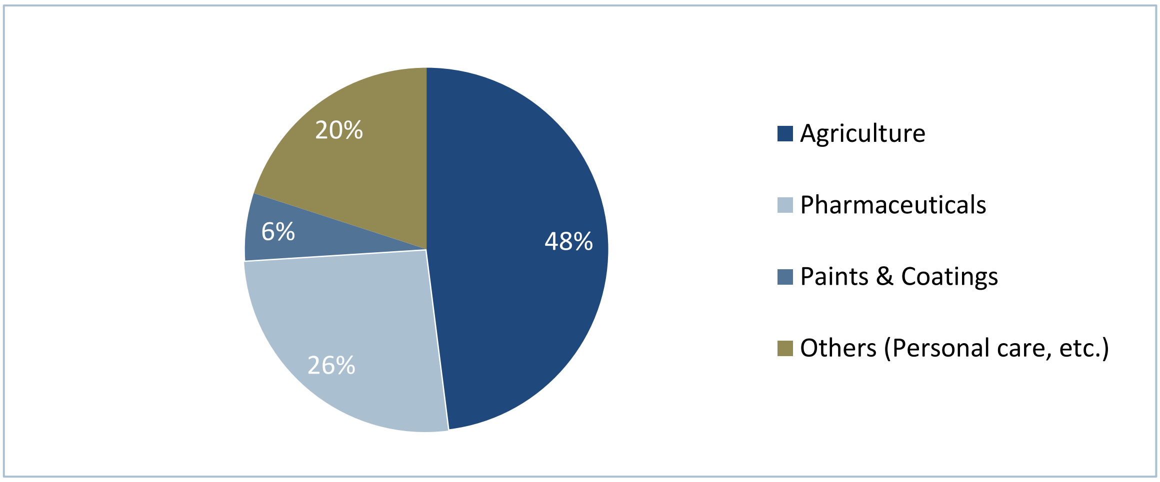
Various chemistries are prominently used across end-use application segments of specialty intermediates which include reagents, solvents, building blocks, protective groups, lubricants, etc. Reagents are typically consumed in the reactions which are nothing but reactants. On the other hand, solvents do not take part into the reaction but facilitate the reaction. Building blocks are the key materials which are responsible for the formation of specific property to the final product.

Global Specialty Intermediates market segmentation by Type, 2019, USD 115 Bn



Source: Frost & Sullivan

Global Specialty Intermediates market segmentation by Applications, 2019, USD 115 Bn

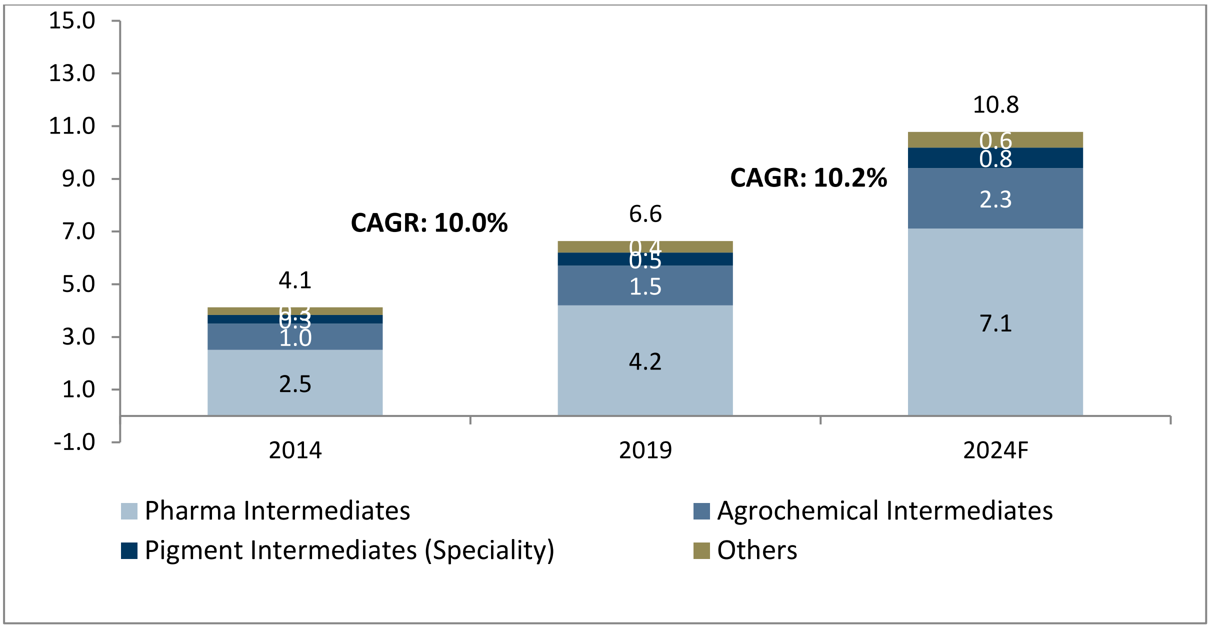


Source: Frost & Sullivan

India Speciality Intermediates Market

India specialty intermediates market stands at USD 6.6 Bn in 2019 projected to grow at 10.2% CAGR over the next half decade to reach USD 10.8 Bn by the year 2024F. India specialty intermediates market is approximately 5-6% of the global specialty intermediates market.

India Speciality Intermediates Market, Growth Trend, 2014, 2019, 2024F (USD Bn)



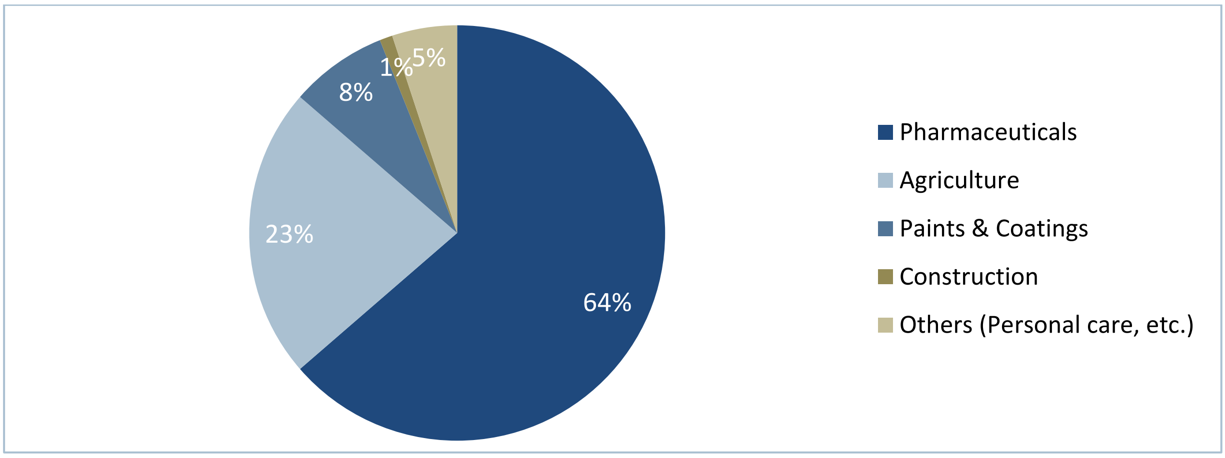
Source: Frost & Sullivan

Growth by market segments in India

Intermediates	CAGR 2019-24F (%)
Pharmaceutical intermediates	11.3%
Agrochemical intermediates	8.9%
Pigment intermediates	9.2%
Other Intermediates (Personal care, etc.)	6.4%

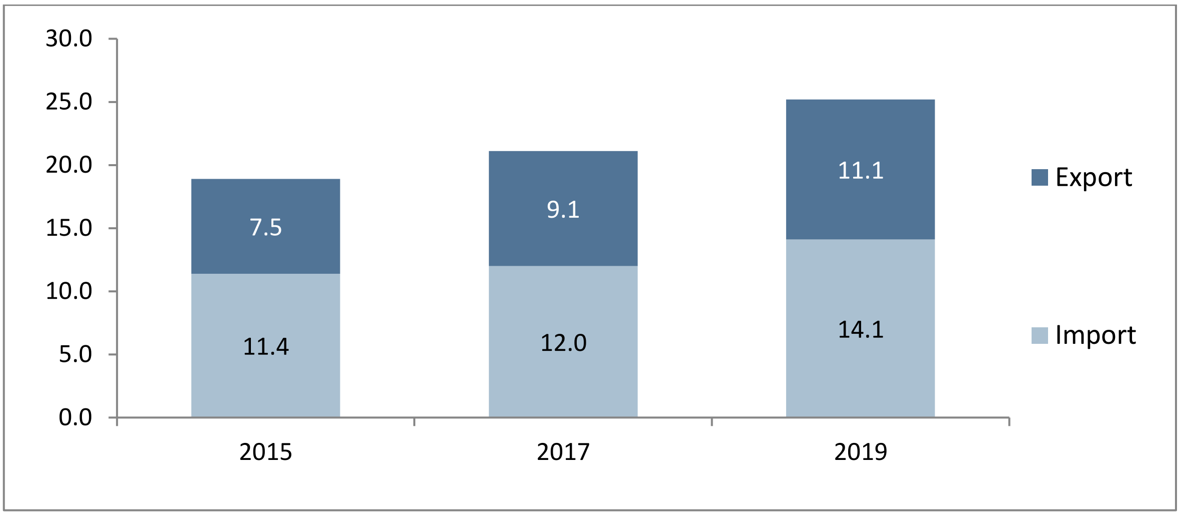
Source: Frost & Sullivan

India Specialty Intermediates market segmentation by Applications, 2019, USD 6.6 Bn



Source: Frost & Sullivan

India Speciality Chemicals and Related Products, Trade, 2015, 2017, 2019, USD Bn



*Source: Frost & Sullivan, World Trade Statistics & HSIE Research, *Primaries with experts*

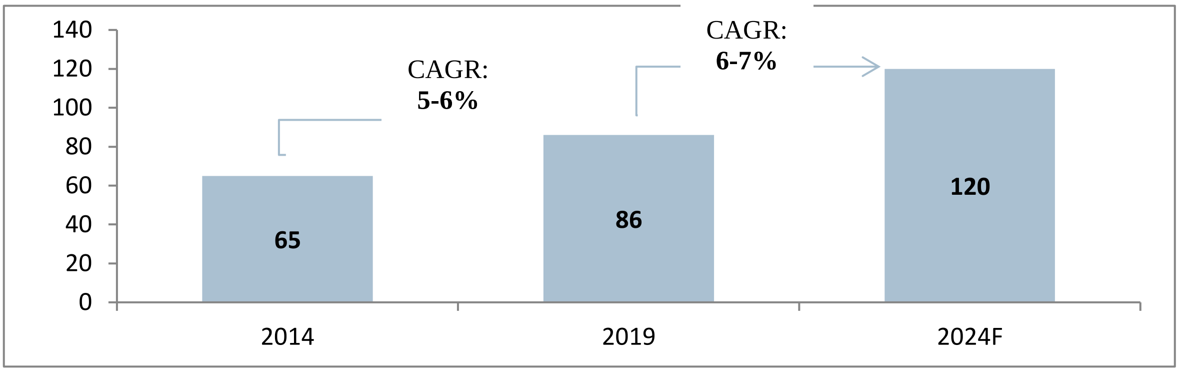
Key Application Segments	Major Development Areas	Top Chemistries (Current and Emerging)
Agrochemicals	Exploring and developing new feedstock and chemical compositions with bio-based materials to reduce wastage and improve efficiency. Investment toward development of nano chemicals and address industry-specific requirements with solutions Unlike earlier times, Agrochemicals based innovation has taken a new outlook, where even smaller companies are innovating on product and process optimization. Products that can reduce reaction steps and/or the total cost of production is a major requirement	Diketenes, Ketenes, Pyridines, Diamides, Azoles, Fluorine, Azides etc
Personal Care Ingredients	Environment friendly / Green products; Current share of natural active ingredients in the market is 25-30%, which is expected to double to 50-55% by 2030. Ingredient manufacturers work with manufacturers to understand the product development road map, support consumers with credible research and development, and also track consumer markets to develop product strategies. Same is expected out of an intermediate supplier to be well informed of the requirements	Cetearyl alcohol, Sodium lauryl 153 ulphate (SLS), Sodium laureth 153 ulphate (SLES), Stearic acid, Glycerin, Propylene glycol, Benzyl alcohol, Diethanolamine (DEA) etc
Flavours & Fragrances	Product compatibility and safety are the two most important parameters along with developments of products to suite local palate	Ketones, Lactones, Terpenes
Paints & Coatings	Use of nanotechnology, novel ingredients, specialty solvents, high performance additives and polymers, composites, modified chain extenders etc.	Diketene, Silicone, Organoclays (bentonite, hectorite) etc
Pharmaceuticals	Emergence of Specialty Segments (Biologics) As the market is facing fierce competition, companies have started exploring the specialty segment and biosimilars which could provide higher efficacy at lower dosage	Diketene, Fluorine, Speciality Amines, Chlorine, Bromine etc

Ketene Derivatives Market: Acetic Anhydride

Acetic Anhydride is a transparent organic colourless liquid with a pungent smell and is majorly used in Pharmaceuticals, Industrial Chemicals, Polymers & Resins, Flavours & Fragrances, and Dyes etc. The global acetic anhydride market reached a volume of 2.5-2.8 MMT and a value of USD 2.5-3 Bn in 2019 and is further expected to reach a volume demand of ~3-3.5 MMT by 2024. The major global producers of Acetic Anhydride include Jubilant Life Sciences, Celanese Corporation, DuPont, Sasol Ltd, SABIC among others.

The Indian market for Acetic Anhydride was valued at USD 85-87 Mn. The market has been growing at 6-7% over the last five years, and expected to grow at similar rate by 2024F.

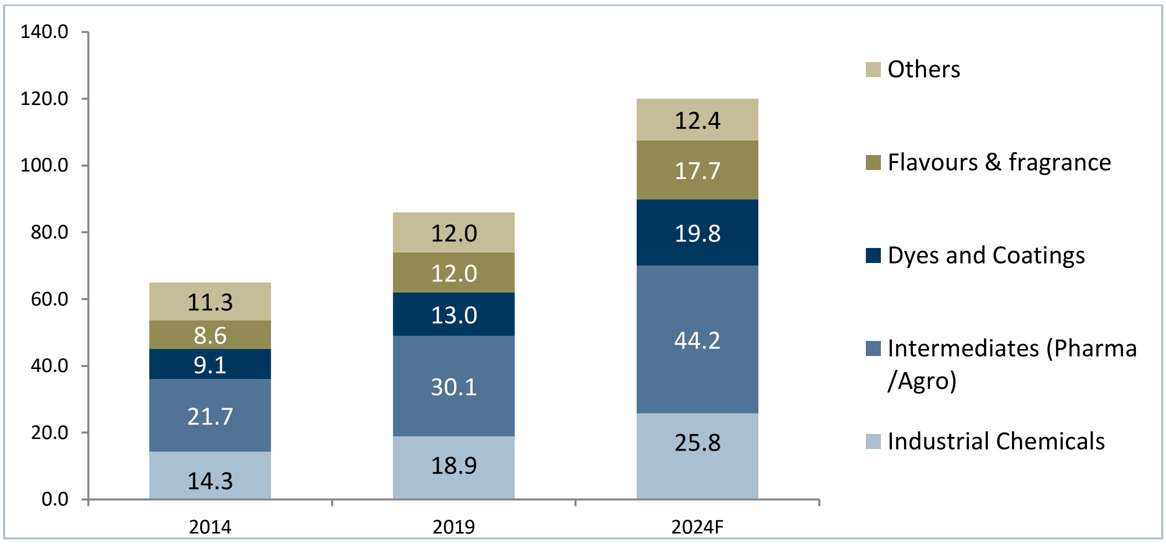
India Acetic Anhydride Market Growth Trends, 2014, 2019, 2024F (Mn)



Source: Frost & Sullivan

India Acetic Anhydride Market, Split by Application,

2014 (USD 65 Mn), 2019 (USD 86 Mn), 2024 (USD 120 Mn)

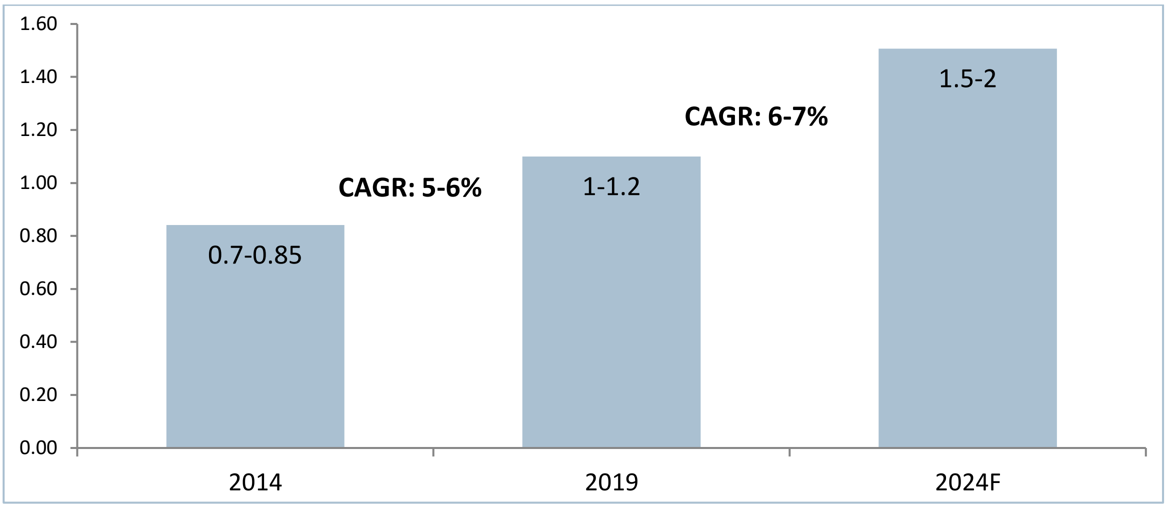


Source: Frost & Sullivan

Diketene and Diketene Derivatives Market

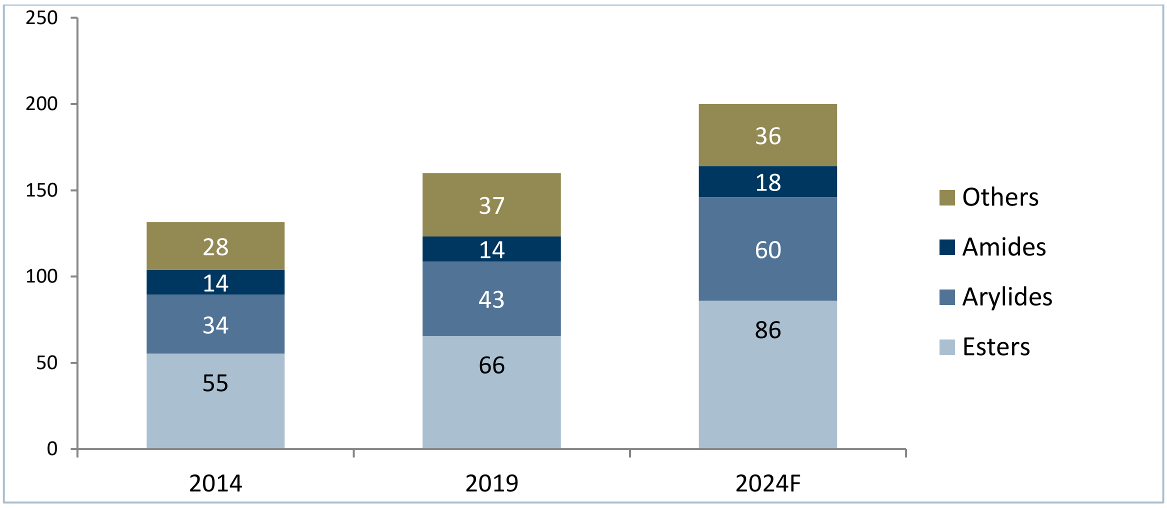
The global market for diketene derivatives was estimated to be around USD 1-1.2 Bn for the year 2019 and the volume was estimated to be between 0.4-0.45* MMT in 2019 and is expected to grow to 0.5-0.55 MMT* by 2024 growing at a CAGR of ~4%. The market in India was valued at USD 150-170 Mn and is expected to reach ~USD 200 Mn by 2024F; about 40% of this demand is catered to by imports. The overall growth will be at Global GDP levels however the new applications and locking in the value chains (like Africa) is the key to success.

Global Diketene and Diketene Derivatives Market, 2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

Split by Type USD 131 Mn, USD 150-170 Mn, USD 190-210 Mn



Source: Frost & Sullivan

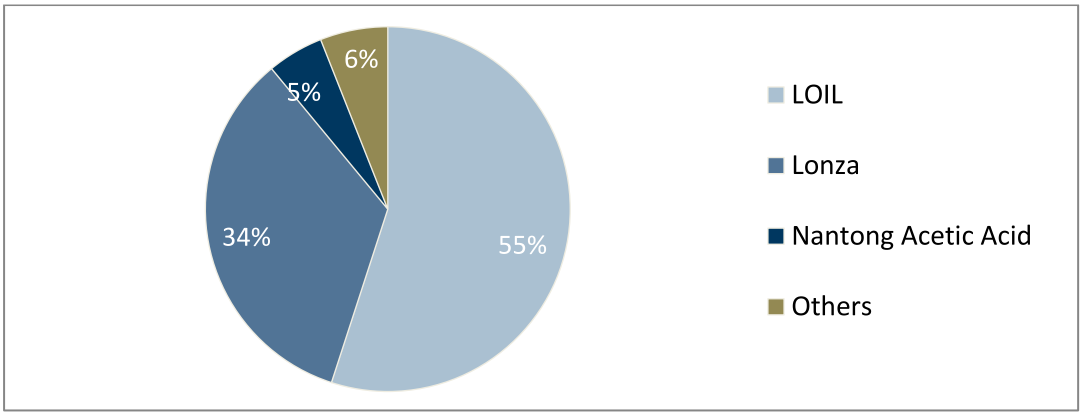
Diketene products are technology intensive and are highly hazardous in nature leading to restricted transport of diketene as is. India fulfils most of its diketene demand from imports which mainly come from Europe or from China.

North America and Europe are the key markets for Diketene derivatives covering ~50% of the market demand in total. However, major regions of exports remain Asia and LATAM as Europe and North American markets are mainly catered by Lonza and Eastman Chemicals.

Market Competition – Diketene

The availability of local supplies are preferred by Indian companies over importing and this has been the key reason for higher penetration and improved market share of the company.

India Diketene Market, Market Share by Company, 2019 (USD 150-170 Mn)



Source: Frost & Sullivan

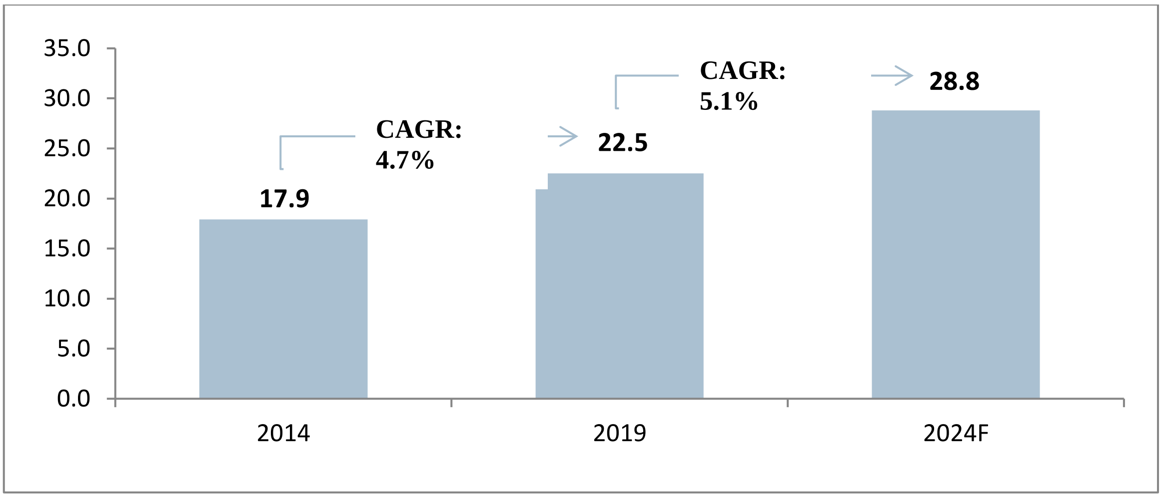
FLUOROCHEMICALS MARKET

Global Overview

Fluorochemicals are chemicals containing fluorine as an element are one of the most critical classes of chemicals that are used across applications. All fluorochemicals start with the mineral Fluorospar, which is then converted to Hydrofluoric acid (HF). The global market for Fluorospar stood at ~5.5-5.8 MMT and is expected to grow at 2.8-3% CAGR to reach ~7 MMT by 2027.

Fluorine based intermediates segment comprises of both basic and advanced intermediates that go into applications of Pharmaceuticals, Agrochemicals, Speciality additives etc. They have both Organic and Inorganic products that go into various applications as intermediates. Organic have a relatively higher share as intermediates used in especially pharmaceuticals and agrochemicals are complex in nature. On a broad level it can be estimated that organic fluorine intermediates are over 85% of the total market.

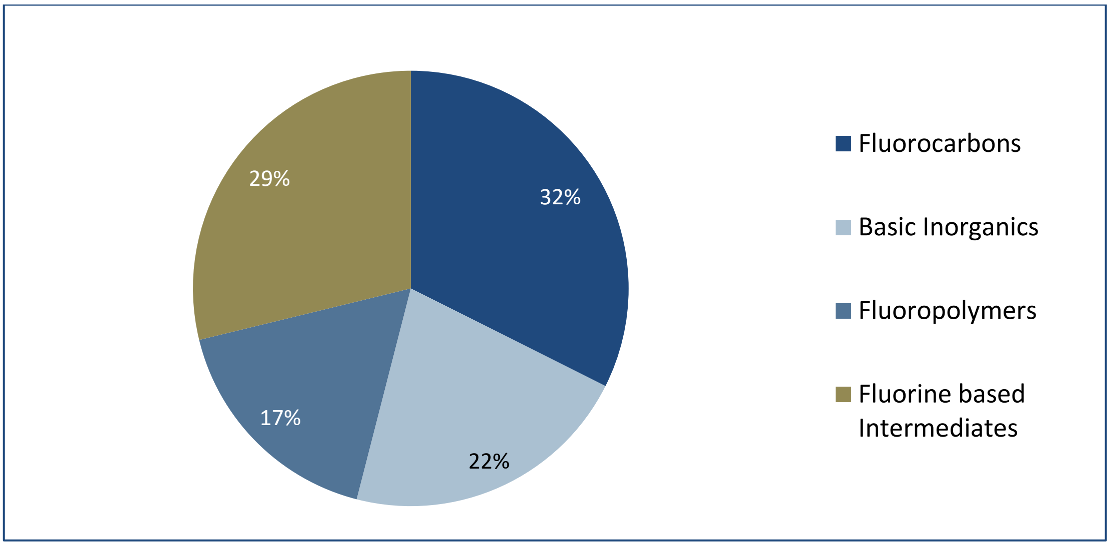
Global Fluorochemicals Market, Growth Trend 2014-2024, USD Bn



Source: Frost & Sullivan

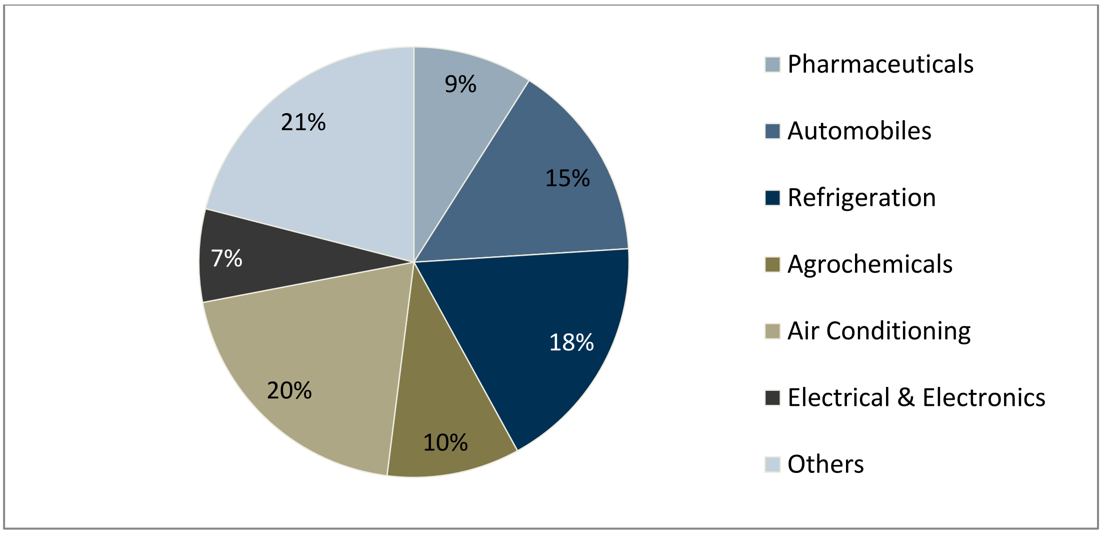
The Global Fluorochemicals market was valued at USD 22.5 Bn in 2019, and is projected to witness a significant growth at a CAGR of 5.1% to reach USD 28.8 Bn by 2024F.

Global Fluorochemicals Market, 2019, Split by Type USD 22.5 Bn



Source: Frost & Sullivan

Global Flourochemicals Market , 2019, Split by Application (USD 22.5 Bn)



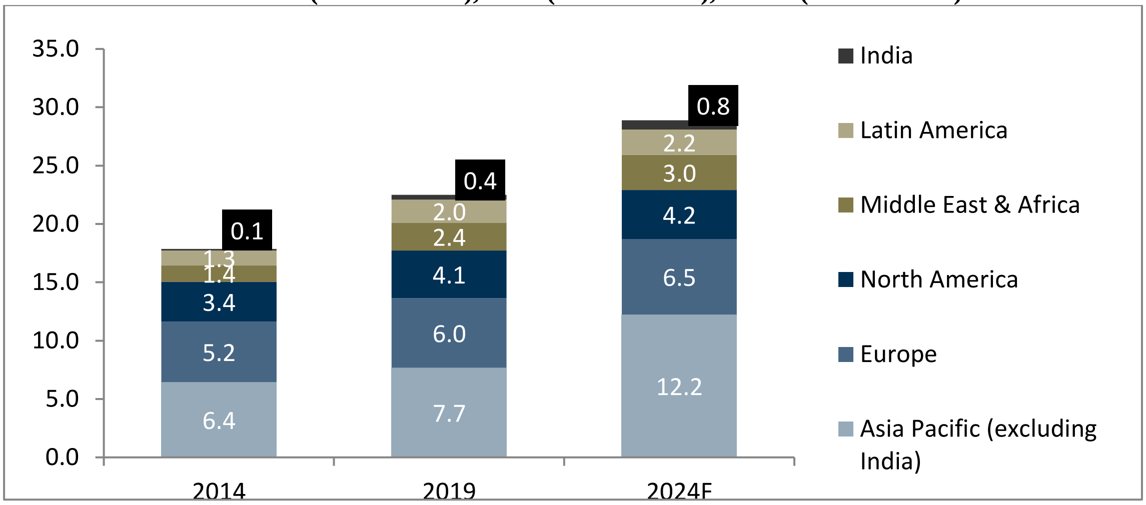
Source: Frost & Sullivan

The rising requirement for refrigeration across various industries is a significant driver boosting the growth of fluorochemicals market. With global warming, temperatures are rising and thus creating an increased need for HVAC (Heating, ventilation, and air conditioning) and refrigeration systems, which in turn has a positive impact on the fluorochemicals market. Refrigerants are used in residential, industrial, and commercial sectors. They are most commonly used in the automotive industry. Automobile air conditioning requires refrigerants, and therefore, the increased production of vehicles has led to the higher demand for refrigerants. The increased production of electric vehicles will also boost the demand for refrigerants.

The rising environmental concerns have forced governments worldwide to modify regulations to discontinue their use over time; however there is focus on R&D to develop innovative environmental friendly products. Another restraining factor is the non-uniform availability of the fluorspar mineral, the key raw material in the production of fluorochemicals.

Global Flourochemicals Market, Split by Geography

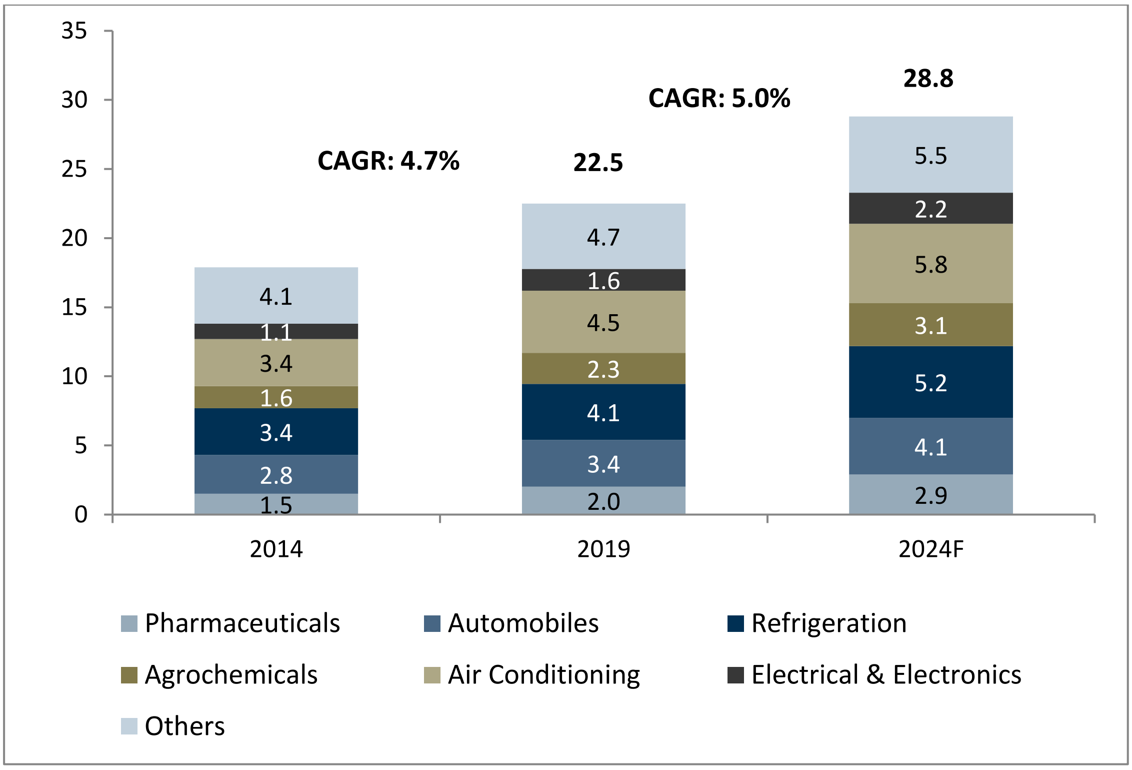
2014 (USD 17.9 Bn), 2019 (USD 22.5 Bn), 2024F (USD 28.8 Bn)



Source: Frost & Sullivan

Global Fluorochemicals Market, Market Forecast by Applications

2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

Fluorine based intermediates have been growing at a substantially higher rate (6-7%) compared to the other segments (3-4%). It is expected to follow the trend during the forecast period due to evolving need in the end use applications. Pharmaceuticals are among the fastest growing segments.

Fluorochemicals are vital ingredients for pesticides. They have replaced bromomethane, a very toxic chemical to the environment. Fluorine provides a viable and valuable alternative to bromomethane in pest-control products. Fluoride derived chemicals are used as fumigants to reduce pest infestation of stored grains and certain other food products.

Fluoropolymers and specialty fluorochemicals consume ~12% of the total Fluorine consumption by tonnage and are the fastest growing segments and also provides higher margins than the commodity derivatives of Hydrofluoric acid and fluorocarbons. Further Value Addition opportunities, by developing advanced intermediates, are also highest under specialty intermediates segment.

Organofluorine compounds are key materials applied in daily life because of their versatile utility as functional materials, pharmaceuticals, and agrochemicals.

Chlorotoluene based fluorine products are an important intermediate in the pharmaceuticals and agrochemicals industries. Increasing demand for these compounds in the manufacturing of pesticides and plant growth regulators, coupled with significant growth of the agrochemicals industry, is expected to drive the growth of this market during the assessment period.

Evolution in Fluorochemicals

Evolution of Refrigerant

To adapt to the changing needs created by the phasing out of HCFC's many companies have come out with the production of new-generation refrigerants – hydrofluorocarbon-134a (HFC-134a or R-134a) and HFC blends like R410A, R404A and R407C.

Fluorochemicals Manufacturing Process Evolution

	Traditional Process	**Electrochemical Fluorination**	**C–F bond reductive elimination reactions**	**Metal-free oxidative fluorination**
Highlight	Balz–Schiemann reaction , halogen exchange (halex) process	Simons Process	Palaldium or Silver Fluoride based process	Fluoride based process
Usage	Aromatic fluorination	Electrosynthesis in organofluorine chemistry. Perfluorinated amines, ethers, as well as acyl and sulfonyl fluorides	Synthesis of aryl fluorides	Fluorinated heterocycles

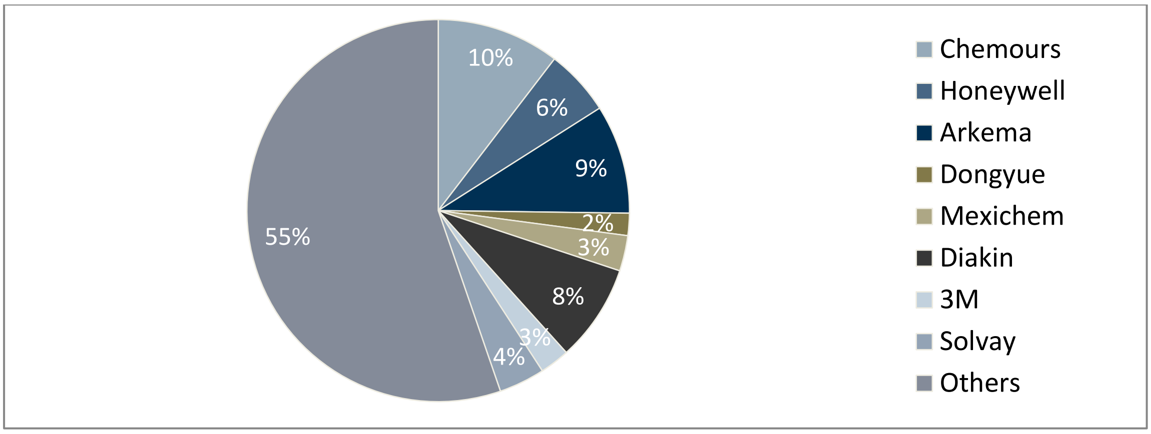
Source: Primary Research, Dovepress: Recent advances in green fluorine chemistry

In recent years, there has been rapid development in fluorination and perfluoroalkylation reactions. Most of the advances are based on either transition-metal chemistry or radical chemistry. Additionally, electrophilic fluorination/perfluoroalkylation reagents are frequently used as they are both reactive oxidants and excellent Fluorine sources. While traditional methods are only suitable for simple fluorinated molecule synthesis and have a narrow substrate scope, the newly developed methods show great promise for preparing fluorine containing molecules with diversified substitution, especially for use in speciality intermediates.

Even small companies in the domain have an R&D spend of over 2-3% of the revenue on a yearly basis. Currently, there are only limited players in this field with such advance technologies; there is also an entry barrier for the new players entering the segment.

Global Competition

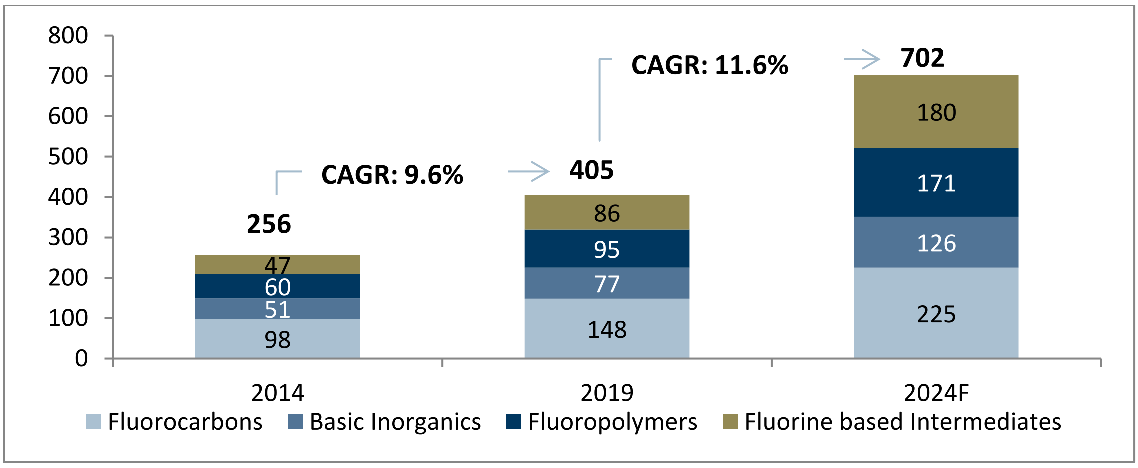
Global Fluorochemicals Market, Market Share by Company, 2019 (USD 22.5 Bn)



Source: Frost & Sullivan

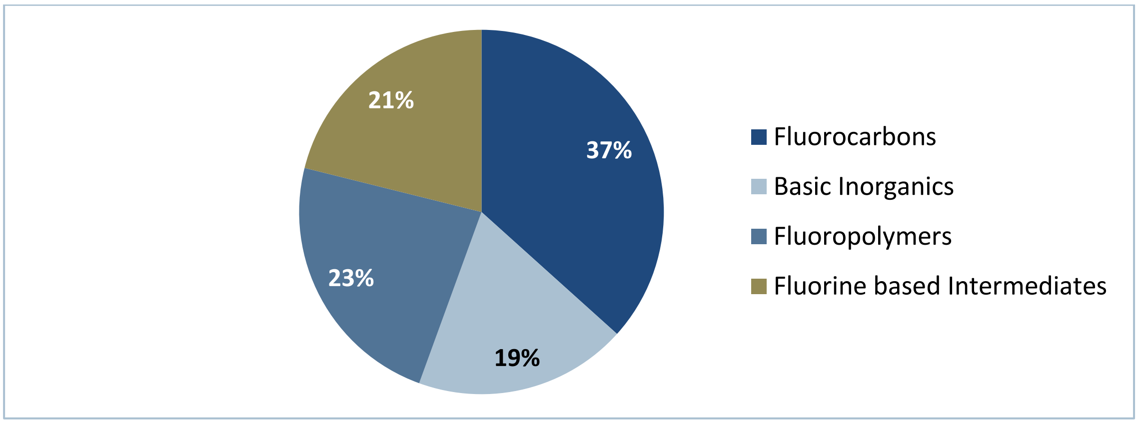
India Overview

India Fluorochemicals Market Growth Trend 2014, 2019, 2024F (USD Mn)



Source: Frost & Sullivan

India Fluorochemicals Market, 2019, Split by Type USD 405 Mn

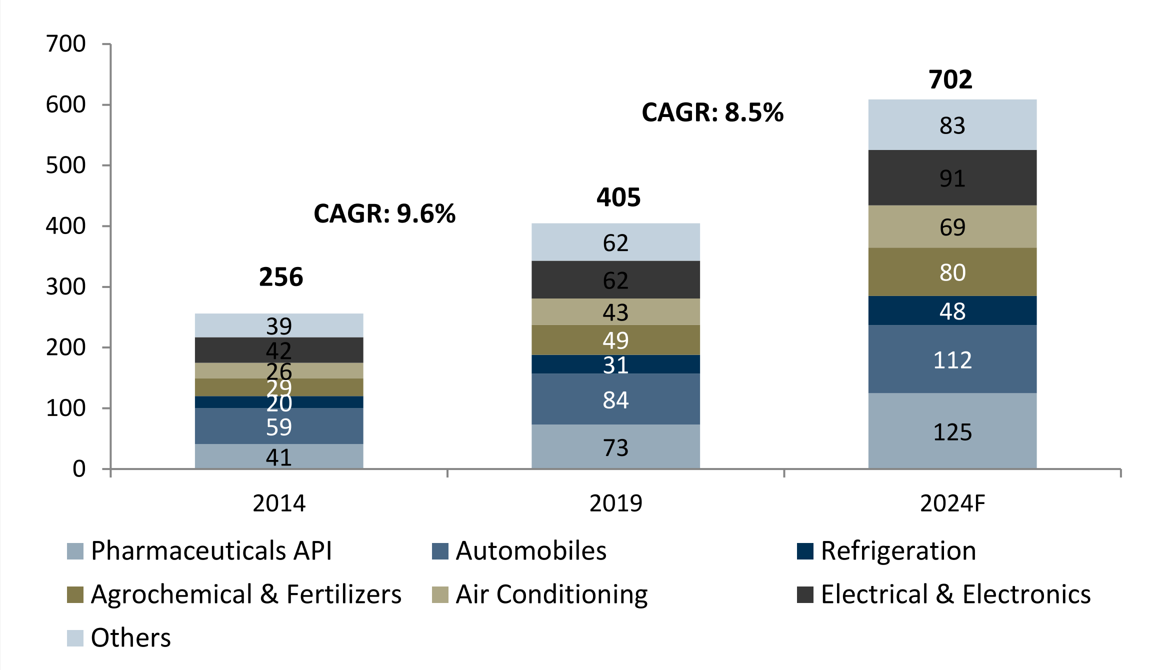


Source: Frost & Sullivan

Growth Drivers

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

India Fluorochemicals Market Growth Trend 2014, 2019, 2024F (USD Mn)



Source: Frost & Sullivan

Segments	Key Growth Drivers	2019-24 CAGR
Pharmaceuticals API	Indian API sector is growing at a promising rate due to its research-based processes, low cost operations and availability of skilled manpower. To meet the global demand, many international players are now integrating with Indian companies.	11.3%
Agrochemicals & Fertilizers	Many of the key technical grade pesticides are made in India, and with many global customers looking to move away from China, India will be a key destination of production as well as consumption	10.1%
Refrigeration	India being an Agrarian economy, there is an increased need for cold storage facilities. The growth in industrial as well as commercial refrigeration requirements for processed products.	9-10%
Air Conditioning	53.3 Mn Middle Class Households of which only 52% have ACs giving a high opportunity for growth. High-Rise Buildings, Shopping Complexes, Malls, Hypermarkets which are growing in tier II cities increasing requirements of AC.	10-12%
Electrical & Electronics	Growth in urbanization and use of consumer electronics across all economic segments is driving growth for the industry. Preference for smart homes and smart offices is also accelerating the growth.	8-9%
Automobiles	Exports from India expected to drive the growth especially for component and ancillary manufacturing segments. Increased emphasis on EV and smart vehicles.	5-7%
Others	Other applications like coatings , cookware, textiles, medical appliances are in niche stage but being accelerated by growth in Infrastructure and urbanization	7-8%

Source: Frost & Sullivan

India is a tropical country with one of the lowest penetration of air conditioners, with ample space for the country to expand in this regard, also driven by increasing per capita income (with a per capita income target of USD 2,400), increased urbanization and increasing spending power of the middle class. The overall market is expected to grow at a CAGR of 11.6%, showcasing the steepest growth curve across all global markets.

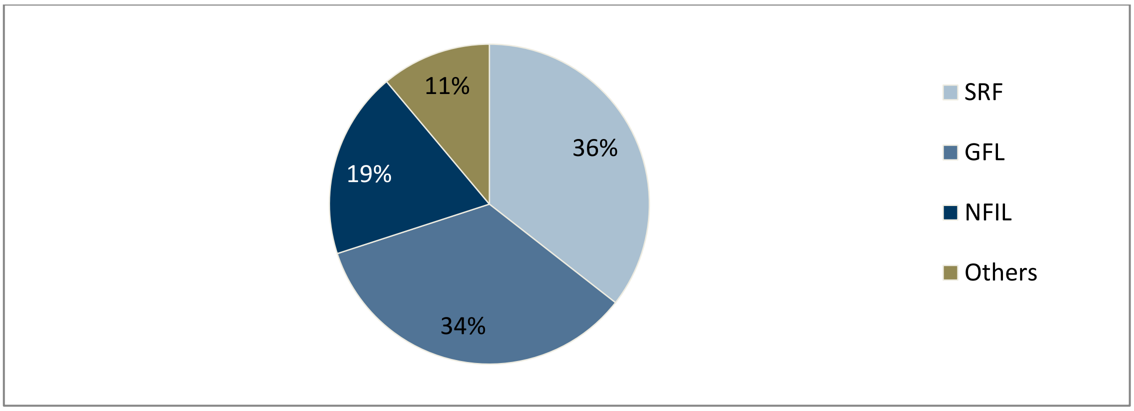
For more than three decades, India has been fulfilling the regulated market's drug agro technical export demand and is expected to continue the same. Leading multinational companies have set up their formulation facilities in India, which will also cater to the fast growing demand of technical grade products and intermediates.

The growth in the fluorine based intermediates segment will be the highest with a CAGR of 16.1%, more so with India moving towards in-house manufacturing of many actives and intermediates which were otherwise imported from China.

Impact of COVID-19 could be felt in some applications like Pharmaceuticals in a positive manner and applications like Air conditioning, Automotive etc. in a negative manner. This impact is expected to sustain for about a year before the market regains to normalcy.

Domestic Competition

India Fluorochemicals Market, 2019, Market Competition (USD 405 Mn)



Source: Frost & Sullivan

Company	Major Products	Capacity	Fluorination Capabilities	Future Plans
SRF	Trifluoro Acetyl Chloride, ETFAA, TFBA, Crotonate derivative of ETFAA (account for 40-50% of fluoro-specialty revenue)	Multi Purpose Plant - Capacity 10 KT	**Electrochemical** **Nucleophilic** - HF, KF, SF4, DAST and **Electrophilic** - elemental fluorine	Looking to add capacities to utilize the R22 and TFE
GFL	Hexafluoropropylene oxide & derivatives , tetrafluoropropanol & derivatives,	Multipurpose plant – 7 KT	**Nucleophilic** - HF, KF, and TFEDMA	TFBA capacity planned 200 MT– Capacity increase planned for PFP for exports
NFIL	5 difluoro-methoxy 2 mercapto 1 H benzimidazole, benzo tri fluorides, boron tri fluorides & bromo fluorobenzenes	Multipurpose plant – 10 KT	**Nucleophilic** – AHF, HF amine complexes, SF4 and Alkali Metal Fluorides **Electrophilic** – N-F class reagents (primarily done at	NFIL is tying up with domestic pharma companies for contract manufacturer of advanced intermediates – key focus products are

Company	Major Products	Capacity	Fluorination Capabilities	Future Plans
			the Manchester Organics site)	statin and gliptin

**ETFAA - ETHYL 4,4,4 TRIFLUOROACETOACETATE; TFBA - 2,3,5,6 -TETRAFLUORO BENZYL ALCOHOL; PFP - 2,3,4,5,6 – PENTAFLUOROPHENOL; DCTFP - 2,3-DICHLORO-5-TRIFLUOROMETHYL PYRIDINE; 3 ABT – 3-AMINO BENZO TRIFLUORIDE*

Source: Frost & Sullivan

Of the 3 commercial technologies in India, nucleophilic fluorination is the most commonly used technology in India, while electrophilic fluorination is not preferred as it extremely challenging to perform due to the high reactivity of the reagents – electrochemical fluorination is relatively new and so far has only been adopted by SRF.

India being a signatory to Montreal Protocol on HCFC phase-out is on the path to reduce domestic HCFC consumption. This will lead to substitutes gaining advantage in areas where HCFC's are used today. The bulk of this change is likely to happen in mobile Air Conditioning segment. On the domestic front with R22 moving out, the market is likely to split between R32, R410a and Hydrocarbons.

Details of power and steam supply arrangements by competitors of the Company

Companies like Jubilant Life Sciences, Indian Oil, Aarti industries, Godavari Biorefineries among a few others do have steam generating engines/condensers, Coal fired power plants and manufacturing systems that use solar/renewable energy as an input source of energy. However, given that Laxmi Organics is the only producer of Diketene derivatives in India, the above statement may be held true that Laxmi is the only company with the mentioned business combination where it uses steam as a source of energy for acetyl intermediates and power as an energy input for its specialty intermediates portfolio of Diketene and its derivatives.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" on page 27 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

Unless otherwise indicated, industry data in this section has been derived from the Frost & Sullivan Report. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors - We have commissioned and paid for an industry report from Frost & Sullivan, which has been used for industry related data in this Prospectus and such data has not been independently verified by us or the BRLMs" on page 51 and "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 16.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Statements included in this Prospectus on page 233.

Overview

We are a leading manufacturer of Acetyl Intermediates and Specialty Intermediates with almost three decades of experience in large scale manufacturing of chemicals. Since our inception in 1989, we have been on a journey of transformation. We initially started manufacturing acetaldehyde and acetic acid in 1992, and soon thereafter moved on to manufacturing of ethyl acetate in 1996. We are currently among the largest manufacturers of ethyl acetate in India with a market share of approximately 30% of the Indian ethyl acetate market (source: Frost & Sullivan Report). Further, post completion of the YCPL Acquisition, our market share in the ethyl acetate market will be further enhanced. In Fiscal 2010, we commenced manufacturing the Specialty Intermediates by acquiring Clariant's diketene business. We believe that the diversification of our product portfolio into varied chemistries in Specialty Intermediates has enabled us to create a niche for ourselves We are the only manufacturer of diketene derivatives in India with a market share of approximately 55% of the Indian diketene derivatives market in terms of revenue in Fiscal 2020 and one of the largest portfolios of diketene products (source: Frost & Sullivan Report).

Our products are currently divided into two broad categories, namely the Acetyl Intermediates and the Specialty Intermediates. The Acetyl Intermediates include ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents, while the Specialty Intermediates comprises of ketene, diketene derivatives namely esters, acetic anhydride, amides, arylides and other chemicals. Our products find application in various high-growth industries, including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and other industrial applications. We also propose to diversify into manufacturing of specialty fluorochemicals to which end, we have recently acquired assets including plant & machinery, design and operating paperwork, REACH registrations and patents of Miteni, a manufacturer of organic fluorospecialties and electrochemical fluorination. We believe we are well placed to enter into the high margin specialty fluorochemicals space through this acquisition. According to the Frost & Sullivan Report, given our expertise in the Acetyl Intermediates and the Specialty Intermediates segments, our entry into the fluorochemicals space will put us at a differentiated position from other chemicals manufacturers.

Over the years, we have significantly expanded our scale of operations and global footprint with customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. We have established long-standing relationships with marquee players including Syngenta Asia Pacific Pte. Ltd., Alembic Pharmaceuticals Limited, Covestro (India) Private Limited, Dr. Reddy's Laboratories Limited, Flint Group India Private Limited, Granules India Limited, Hetero Labs Limited, Heubach Colour Private Limited, Hubergroup India Private Limited, Huhtamaki India Limited, Laurus Labs Limited, Macleods Pharmaceuticals Private Limited, Mylan Laboratories Limited, Neuland Laboratories Limited, Parikh Packaging Private Limited, Suven Pharmaceuticals Limited, Colourtex Industries Private Limited, and UPL Limited. We have offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates) which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. We also have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and

Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice. We have been the largest exporter of ethyl acetate from India in the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018 and one of the largest exporters of ethyl acetate to Europe from India since 2012 (source: Frost & Sullivan Report). For the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our Company's revenue from exports of manufactured products contributed 23.17%, 24.24%, 27.80% and 22.18%, respectively, of our revenue from operations on a standalone basis. Our Company's revenue from exports on a standalone basis have grown at a CAGR of 5.89% between Fiscal 2018 and the six months ended September 30, 2020 (annualized).

We currently have two manufacturing facilities in Mahad, Maharashtra (the "**Manufacturing Facilities**"), with one facility dedicated to Acetyl Intermediates (the "**AI Manufacturing Facility**") and another dedicated to Specialty Intermediates (the "**SI Manufacturing Facility**"), which are strategically located in proximity to several ports and each other. As at December 31, 2020, the aggregate installed production capacity at the AI Manufacturing Facility was 161,320 MTPA, while the aggregate installed production capacity at the SI Manufacturing Facility was 78,045 MTPA. We are also in the process of acquiring YCPL, having an aggregate installed production capacity of 10,500 MTPA of acetaldehyde and 29,200 MTPA of ethyl acetate as on December 31, 2020. We also have two distilleries located in Satara district (the "**Jarandeshwar Distillery**") and Kolhapur district in Maharashtra (the "**Panchganga Distillery**" and together with the Jarandeshwar Distillery, the "**Distilleries**") for the manufacturing of ethanol or specially denatured spirit. As at December 31, 2020, the Jarandeshwar Distillery had an installed production capacity of 8,100 KLPA while the Panchganga Distillery had an installed production capacity of 9,112 KLPA. The ethanol manufactured at the Distilleries is primarily consumed at the AI Manufacturing Facility and the SI Manufacturing Facility for the manufacturing of fuel-grade ethanol, ethyl acetate and certain Specialty Intermediates including several downstream products. Further, we are in the process of setting up a manufacturing facility at Lote Parshuram, Maharashtra for manufacturing fluorospecialty chemicals (the "**Proposed Facility**"). For further details in relation to our Manufacturing Facilities and Distilleries, see "*Our Business-Our Manufacturing Facilities and Distilleries*" on page 176.

We have two Department of Scientific and Industrial Research, Government of India ("**DSIR**") recognised research and development facilities, with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates (source: Frost & Sullivan Report). For further, details see "*Our Business-Research and Development*" on page 179.

For the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our consolidated revenue from operations was ₹8,134.06 million, ₹15,341.23 million, ₹15,685.21 million and ₹13,930.74 million, respectively. Our consolidated EBITDA for the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018 was ₹ 863.42 million, ₹ 1,437.09 million (inclusive of a one-time income of ₹ 256.63 million), ₹ 1,586.17 million and ₹ 1,544.09 million respectively, while our consolidated profit for the period from continuing operations for the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018 was ₹454.84 million, ₹702.12 million, ₹723.91 million and ₹756.95 million respectively.

During the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, the Acetyl Intermediates manufactured by us (including exports to Laxmi Netherlands) contributed 55.37%, 59.33%, 62.24% and 49.22%, respectively, of our total revenue from sale of manufactured products and services on a standalone basis, while the Specialty Intermediates manufactured by our Company (including exports to Laxmi Netherlands) contributed 30.21%, 32.16%, 31.89% and 32.38%, respectively, of our total revenue from sale of manufactured products and services, on a standalone basis.

We have a strong and well experienced Board and key managerial personnel who actively contribute to our operations and participate in our strategy. Our Promoter, Ravi Goenka, who is also our Chairman and Managing Director, has extensive experience in the chemicals industry and has played a significant role in our development and growth. For further, details in relation to Ravi Goenka and our other Directors and key managerial personnel, see "*Our Management*" on page 199.

Our strengths

Leading manufacturer of ethyl acetate with significant market share

The global ethyl acetate market is expected to grow at a CAGR of more than 4.5% over the next decade in terms of volume and is projected to grow from ~4 MMT in calendar year 2019 to ~5 MMT by calendar year 2024 (source: Frost & Sullivan Report). In terms of revenue, the global ethyl acetate market stands approximately at USD 3.5 billion globally and is expected to grow at 5.5% to 6% CAGR over the next half decade (source: Frost & Sullivan Report).

Ethyl acetate is a highly versatile solvent used in multiple applications across industries. It is derived from non-aromatic raw materials. The bio-based origin of ethyl acetate gives it a distinct identity and making it a preferred solvent over traditional solvents, given its lower toxicity when exposed to humans (source: Frost & Sullivan Report). The allowance of ethyl acetate in the human body is more than other solvents (source: Frost & Sullivan Report). In 2015, REACH banned products including glues containing toluene, chloroform, or benzene. In view of health hazards, this ban might be adopted by other regions as well and according to the Frost & Sullivan Report, such ban will enhance the need to move to a green solvent like ethyl acetate which will in turn benefit our Company.

As there are no drop-in replacements for ethyl acetate available for our customers, we believe that it cannot be easily replaced by our customers with other solvents. Further, ethyl acetate has one of the higher evaporation rates among solvents making it a preferred solvent across multiple industries (source: Frost & Sullivan Report). Additionally, it is a low impact input (in terms of its relative cost in their final product) for the pharma and agro products.

Our conversion efficiencies have been strong and maintained consistently helping in consistent contribution margin maintenance throughout business cycles (source: Frost & Sullivan Report). We are currently among the largest manufacturers of ethyl acetate in India with a market share of approximately 30% of the Indian ethyl acetate market (source: Frost & Sullivan Report).

Our Company has been the largest exporter of ethyl acetate from India in the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, which amounted to slightly less than half of the total ethyl acetate exports from the country (source: Frost & Sullivan Report). We have also been one of the largest exporters of ethyl acetate to Europe from India since 2012 (source: Frost & Sullivan Report). We have a long-standing presence in Europe with approximately two decades of experience in the sales of ethyl acetate in Europe and are the only Indian company engaged in the sale of ethyl acetate with a direct presence in Europe currently (source: Frost & Sullivan Report). We believe that such experience and direct presence in Europe has enable us to establish and consolidate our position in Europe.

Further, many multinational players are investing in India for manufacturing their flexible packaging, paints and coatings, adhesives and sealants, essentially catering to foreign destinations through exports (source: Frost & Sullivan Report). According to the Frost & Sullivan Report, active players in the Acetyl Intermediates space like our Company will be at a greater advantage in the domestic market.

For the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our Company's revenue from manufactured Acetyl Intermediates on a standalone basis (including exports to Laxmi Netherlands) was ₹ 4,104.10 million, ₹ 8,018.54 million, ₹ 8,835.73 million and ₹ 6,209.76 million, respectively. Our AI Manufacturing Facility is the single largest ethyl acetate manufacturing site in India, in terms of capacity (source: Frost & Sullivan Report). As at December 31, 2020, our AI Manufacturing Facility had an aggregate installed production capacity of 161,320 MTPA, while we produced an aggregate of 93,844.95 MT of Acetyl Intermediates during the nine months ended December 31, 2020.

We have also entered into definitive agreements for acquisition of YCPL (a wholly owned subsidiary of AHPL). Post completion of the YCPL Acquisition, we believe our market share in the ethyl acetate market will be further enhanced.

Our strategically located and backward integrated AI Manufacturing Facility as well as the economies of scale have, over the years, enabled us to maintain the consistency in quality of our products. Our manufacturing operations are further supported by large storage capabilities at our AI Manufacturing Facility as well as storage tanks in *inter alia* Mumbai (Maharashtra), Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy). We believe that our large manufacturing capacity, consistent growth, experienced management, global footprint and high-quality products makes us a reliable supplier of Acetyl Intermediates across various industries.

Only Indian manufacturer of diketene derivatives with a significant market share and one of the largest portfolios of diketene products

According to Frost & Sullivan, based on average price and basic derivatives, the global market for diketene derivatives was estimated to be around USD 1-1.2 billion for the year 2019 and the volume was estimated to be between 0.4-0.45 MMT in 2019 and is expected to grow to 0.5-0.55 MMT by 2024 growing at a CAGR of ~4%. The market in India was valued at USD 150-170 million and is expected to reach ~USD 200 million by 2024, with about 40% of this demand being met by imports (source: Frost & Sullivan Report). The technology to manufacture diketene derivatives is linked to the product range of the derivatives and only a few companies worldwide hold the technology to cater to a complete range of diketene derivatives (source: Frost & Sullivan Report).

Traditionally, India fulfilled most of its diketene demand from imports which were mainly from Europe or from China. Over the last decade, being the only manufacturer of diketene derivatives, pursuant to *inter alia* our R&D efforts and customer relationships we have rapidly gained domestic market share and held a market share of approximately 55 % of the Indian diketene derivatives market in terms of revenue in Fiscal 2020 (source: Frost & Sullivan Report). Our SI Manufacturing Facility manufactures a range of specialty chemicals that cater to pharmaceuticals, colorants and agrochemical industries and also substitute possible imports. We were one of the largest suppliers of diketene based specialty intermediates in Europe from India in calendar year 2019 (source: Frost & Sullivan Report).

As at December 31, 2020, we had an aggregate installed production capacity of 78,045 MTPA at our SI Manufacturing Facility. For the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, our revenue from the sale of manufactured Specialty Intermediates, on a standalone basis (including exports to Laxmi Netherlands) was ₹ 2,239.64 million, ₹4,346.86 million, ₹4,527.18 million and ₹ 4,084.66 million respectively, comprising of 30.21%, 32.16%, 31.89% and 32.38%, respectively, of our total revenue from sale of manufactured products and services, on a standalone basis.

The increasing demand in pharmaceuticals and agrochemicals from developing economies like India is likely to increase the consumption of diketene and its derivatives, where our Company has a very strong presence (source: Frost & Sullivan Report). Through our R&D initiatives and experience in handling complex chemistries, we have been able to unlock value by adding downstream and value-added products to our product portfolio of Specialty Intermediates. While we commenced manufacturing Specialty Intermediates in Fiscal 2010, we currently offer more than 34 products as part of our Specialty Intermediates portfolio and have one of the largest portfolios of diketene products (source: Frost & Sullivan Report). Further, we have collaborated with certain industry players to set up chemistries and molecules. We follow a collaborative process of product and chemistry development while working with our potential customers thereby enabling us to establish long term relationships with them. We recently developed a new route of synthesis for a product supplied to a customer, which eventually culminated in us entering into a long term supply contract with such customer.

We believe that we are well poised to capture the growing demand for diketene derivatives globally. In view of investments that we made in technology and expertise in diketene chemistry, relationships with customers and track record in commercialization of products across the value chain.

Diversified customer base across high growth industries and long-standing relationships with marquee customers

Our products find application in a number of high growth industries including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and other industrial applications. Amongst the industries to which we cater, during the forecast period of 2019-24 the global active pharmaceutical ingredients market size is projected to grow at a CAGR of 5%-6%, the global agrochemicals and fertilizer market is expected to garner revenue at a CAGR of 5.5-6%, and the paints, coatings and additives industry is projected to grow at a CAGR of 5.1% (source: Frost & Sullivan Report).

We have established long-standing relationships with marquee customers across various industries. For instance, our long-term customers in the pharmaceutical segment include Alembic Pharmaceuticals Limited, Dr. Reddy's Laboratories Limited, Hetero Labs Limited, Laurus Labs Limited, Macleods Pharmaceuticals Private Limited, Mylan Laboratories Limited, Neuland Laboratories Limited Suven Pharmaceuticals Limited and Granules India Limited and in the agrochemicals segment includes UPL Limited, Syngenta Asia Pacific Pte. Ltd., and Sudarshan Chemical Industries Limited.

Our top ten customers basis revenue from manufactured products on a standalone basis, for the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, constituted 27.39%, 26.29%, 26.79% and 23.84% respectively of the total revenue from manufactured products on a standalone basis. A majority of our Company's top ten customers in the six months ended September 30, 2020, have been our customers since Fiscal 2016.

We believe that the diversification of our customer base across various industries has enabled us to minimize impact of industry-specific disruptions on our business. The key industries to which we cater to and the corresponding revenue from sales of manufactured products and services by our Company to customers in such industry (expressed as a percentage of our Company's total revenue from sale of manufactured products and services on a standalone basis) is set forth below:

(% of revenue from sale of manufactured products and services)

Industry	**Six months ended September 30, 2020**	**Fiscal 2020**
Pharmaceuticals	33.98	35.70
Agrochemicals	13.97	14.44
Colour and pigments	10.62	15.22
Printing and packaging	9.51	8.07
Other Industrial applications	7.87	9.26
Distributors	24.04	26.30
Total	**100.00**	**100.00**

Further, we have low customer concentration and no single customer contributed to more than 10% of our revenues from operations during the six month period ended September 30, 2020 and Fiscals 2020, 2019 and 2018. We have adopted a diversified sales model wherein we sell on spot, through short term contracts (typically two or three months), annual contracts and multi-year contracts based on customers preference and value proposition. To obtain greater assurance of demand and visibility in our manufacturing operations, we have entered into off-take arrangements with some of our customers which involve multi-year agreements, for certain specific products to give the necessary supply assurance to the customer.

We believe our speedy execution and timely response to customer needs, coupled with our high-quality products and innovation have enabled us to successfully establish our market presence and nurtured our customer relationships. Further, our long-term relationships with marquee customers provides us with steady revenue flows.

Strategically located manufacturing facilities, vertical integration and supply chain efficiencies

We currently have two strategically located Manufacturing Facilities for Acetyl Intermediates and Specialty Intermediates which are located in Mahad, Maharashtra, in close proximity to several ports including the Jawaharlal Nehru (Nhava Sheva) Port, JSW port and Mumbai port which ensures that we have ready access to port facilities and are able expediently import our raw materials and export our products thereby providing us with a cost and logistical advantage. Our AI Manufacturing Facility is the single largest ethyl acetate manufacturing site in India, in terms of capacity (source: Frost & Sullivan Report). Further, our Manufacturing Facilities are located close to the southern and western regions of India, where some of the major pharmaceutical manufacturers are located. Our Manufacturing Facilities are located close to each other, thereby ensuring greater logistic synergies and operational efficiencies. The YCPL Facility which is proposed to be acquired by us is also located in close proximity to our Manufacturing Facilities. Our Manufacturing Facilities have received a number of accreditations such as ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015.

We also have two Distilleries located in Maharashtra for the manufacturing of ethanol and specially denatured sprit from molasses. These Distilleries and our Manufacturing Facilities are located close to sugar mills in Maharashtra thereby providing us with easy supply for molasses and reducing transportation costs. Ethanol is a basic raw material required for the manufacture of Acetyls including acetic acid, acetaldehyde and ethyl acetate. Our Distilleries enable backward integration by acting as feeder plants to both our Acetyls as well as Specialty Intermediates operations, provide effective control over raw materials and also reduce our dependence on third parties for ethanol.

Further, acetic acid and ethanol are common raw materials for both the Acetyl Intermediates and the Specialty Intermediates thereby enabling us to procure such raw materials from the same supplier, and reducing costs.

Further, as part of our manufacturing operations we require a steady supply of steam (majorly for Acetyl Intermediates) and power (for Specialty intermediates). We have a co-generation power plant within the AI

Manufacturing Facility (the "**Captive Power Plant**") with a capacity of 7.5 MW, two windmills located in Maharashtra and Karnataka, with a capacity of approximately 1.20 MW each and a hydro-electric power project at Yedgaon with a capacity of 3 MW (collectively, the "**Power Facilities**"). During the nine months ended December 31, 2020, 53.04% of our Manufacturing Facilities' power consumption was met from the Power Facilities, with 5.87% being met from the renewable Power Facilities (the "**Renewable Power Facilities**"). Our Power Facilities reduce, our dependence on the electricity grid and third parties and ensure a regular supply of power and steam. We believe that such vertical integration provides us greater control on the manufacturing process, reduces our manufacturing costs and improves our conversion efficiency, thereby improving our profitability.

In order to further bolster our logistics and cost efficiencies on the import as well as export side, we also have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai (Maharashtra) for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products. We also have large storage tanks at our Manufacturing Facilities, which are multi-purpose and can be used for storage of different raw materials (including raw materials of seasonal nature) and products.

In-house research and development capabilities and consistent track record of technology absorption

We believe that research and development of new products to meet our customers' requirements is a key growth driver of our business. We have two DSIR recognised research and development facilities ("**R&D Facilities**"), comprising of one R&D Facility located within the SI Manufacturing Facility which primarily deals with projects related to the direct application of ketene and diketene and our innovation center located at Rabale, Navi Mumbai, Maharashtra (the "**Rabale Innovation Centre**"), which predominantly works on development of new products for us based on complex chemistries.

Our R&D Facilities are equipped with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates (source: Frost & Sullivan Report). We have demonstrated a track record of concept to commercialization. We acquired the ketene/diketene business and its downstream products from Clariant Chemicals (India) Limited ("**Clariant**") in Fiscal 2010 and successfully relocated the plant and machinery and other assets from Clariant's manufacturing site at the Balkum, Thane, Maharashtra to our then greenfield site at Mahad, Maharashtra, India i.e. the SI Manufacturing Facility ("**Clariant Acquisition**"). Pursuant to the Clariant Acquisition, our Company acquired the technology and know-how of 18 products from Clariant of which our Company is currently producing 14 products which form part of our Company's Specialty Intermediates product portfolio. Through our R&D efforts, in addition to the products acquired from Clariant, we have added 20 new products (the "**New Products**") to our Specialty Intermediates portfolio over the last decade and expanded our product portfolio to more than 34 products, as on September 30, 2020. In order to expand our product portfolio, we have also developed five different chemistry platforms on a commercial scale, which include the following chemistries: ethyoxylation, chlorination, amination, methoxylation, thiolation and acylation. During the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, the New Products contributed 44.14%, 45.60%, 51.45% and 41.52%, respectively of our revenue from the Specialty Intermediates manufactured by our Company, on a standalone basis. While most of our Speciality Intermediate products are also produced by other manufacturers globally and are not unique to our Company, we believe that there are no drop-in substitutes for Speciality Intermediate products which are produced based on ketene and/or diketene chemistries.

We have consistently invested in R&D and technology and have successfully implemented some of them based on market/customer demand at our Manufacturing Facilities over the years. During the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, we have incurred research and development expenditure aggregating to ₹40.92 million, ₹86.15 million ₹31.20 million and ₹84.30 million respectively, including capital expenditure of ₹1.07 million, ₹11.28 million, ₹10.60 million and ₹58.44 million during such periods respectively. We have a dedicated team of research scientists comprising 49 employees, as on September 30, 2020, focused on innovation in chemistries and engineering, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. We believe our R&D team has enabled us to unlock the value of various complex chemistries and introduce new products resulting in higher margins and revenues.

Our technology development efforts and execution capabilities have enabled us to not only garner leading position in the domestic Speciality Intermediates market, but also made us a leader in several product groups globally (source: Frost & Sullivan Report). Further, implementation of the latest technology and built-in-processes enables us to produce high quality products consistently.

Global presence and low geographical concentration

In addition to India, we have customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Our international operations are supported by our offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates). We believe our local presence in such international markets facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. We also have arrangements with third parties for usage of storage tanks in *inter alia* Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice.

For the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our Company's revenue from exports of manufactured products contributed 23.17%, 24.24%, 27.80% and 22.18%, respectively, of our revenue from operations on a standalone basis. Our revenue from exports has grown at a CAGR of 5.89% between Fiscal 2018 and the six months ended September 30, 2020 (annualized).

Our global operations have demonstrated low-geographical concentration over the periods mentioned below. A geography-wise break-up of our Company's revenues from sale of manufactured products and services (on a standalone basis) is as under:

(% of revenue from sale of manufactured products and services)

Geography	Six months ended September 30, 2020	Fiscal 2020
India	76.71	75.64
Europe*	12.33	13.71
Middle East**	3.75	4.36
Africa#	2.37	2.38
China	0.33	0.57
Rest of Asia	4.43	2.56
Rest of the World##	0.09	0.78
Total	**100.00**	**100.00**

**Includes Armenia, Austria, Belgium, Cyprus, Czech Republic, France, Germany, Italy, Netherlands, Portugal, Romania, Russia, Spain, Sweden and United Kingdom.*
***Includes Egypt, Iran, Israel, Jordan, Lebanon, Oman, Saudi Arabia, Syria, Turkey and United Arab Emirates.*
#Does not include Egypt.
Includes USA, New Zealand and Argentina.

We believe presence in various markets reduces our dependence on one market and thereby minimizing the risk of any adverse developments or material changes in economic outlook in any one market.

Our differentiated business model, asset base, product mix and experience in handling complex chemistries create high entry barriers

The industry in which we operate has high entry barriers due to *inter alia* the involvement of complex chemistries in the manufacturing of our products and the requirement to be enlisted as a supplier after due qualification of the products with certain customers, particularly with the customers in the pharmaceutical and agrochemical industries. The specialty chemicals industry is highly knowledge intensive. Given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and stringent impurity specifications. Further, the manufacture of Specialty Intermediates is capital intensive. We believe that our customer credit management abilities acts as a strong entry barrier for smaller players trying to enter the market. Given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and stringent impurity specifications. Further, with respect to end products manufactured by certain of our customers, we believe if the usage of our products has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer.

We believe that we have achieved a high capital efficiency with high asset turnover and working capital turnover ratios, which enables us to utilise our capital in the optimal manner and remain competitive in the industry we operate in. For the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, our asset turnover ratio was 0.77, 1.47, 1.64 and 1.82 and our working capital turnover ratio was 5.85, 10.86, 11.34 and 14.53.

Our Power Facilities contribute a significant portion of our power and steam requirements, which provides us with a significant cost benefit and operational control. A manufacturer of the Acetyl Intermediates and/or Specialty Intermediates without such Power Facilities, would have to ensure the continued availability of power and stream and may be required to incur significant expenditure to ensure regular supply of power and steam, which may be an entry barrier for prospective manufacturers. According to Frost & Sullivan, to the best of its knowledge, while there are companies in the AI segment which have steam generating engines and condensers, coal fired power plants and manufacturing systems that use solar/renewable energy, there is no other company which has the same business combination in India i.e. a captive cogeneration plant which produces both power and steam by burning the same fuel. Further, the Company is the only manufacturer of diketene derivatives in India, and accordingly, the above statement may be held true that our Company is the only company with the mentioned business combination where it uses steam as a source of energy for acetyl intermediates and power as an energy input for its specialty intermediates portfolio of Diketene and its derivatives. (source: Frost & Sullivan Report).Further, we believe we benefit from the synergies in raw materials as well as customer base between the Acetyl Intermediates and Speciality Intermediates businesses.

Over the years, we have invested significantly in R&D and technology and are supported by a dedicated R&D team enabling us to develop capabilities in handling complex chemistries and also have state-of-the art R&D infrastructure (source: Frost & Sullivan). Through our R&D efforts, have gained significant experience in handling complex chemistries and have been able to lock-in the value chain by developing downstream as well as upstream products.

Moreover, our operations involve the handling of certain hazardous raw materials and products. Handling such products and raw materials requires a high degree of technical skill and expertise. We believe that the level of technical skill and expertise that is essential for handling products and raw materials can only be achieved over a period of time, creating a further barrier for new entrants.

We believe that given our diversified product portfolio, investment in technology, and R&D, our working capital management, our Power Facilities and consequent cost efficiencies coupled with our global footprint and customer relationships have helped us create a differentiated position in the markets in which we operate.

Experienced promoter, board of directors and key managerial personnel

We have a strong and well experienced Board, which is supported by highly qualified functional heads and key managerial personnel who actively contribute to and participate in our strategies, operations and business development. Our Promoter, Ravi Goenka, who is also our Chairman and Managing Director, has extensive experience in the chemicals industry and has played a significant role in the development of our business. We believe that we have benefitted significantly from our Promoter's experience and capabilities, as well as our senior management's diverse backgrounds which has enabled us to understand and anticipate market trends, expand our product portfolio, manage our business operations and growth, leverage customer relationships and respond to changes in the business environment and customer preferences.

Our non-independent and Independent Directors are experienced and qualified professionals from varied fields such as the securities market, banking and human resources. Our key managerial personnel are experienced across various functions such as finance, legal and secretarial and business development. For further details in relation to our Board and our Key Managerial Personnel, see "*Our Management*" on page 199.

Our Strategies

Volume maximisation at our Manufacturing Facilities by expanding installed capacities to support our growth initiatives

As a part of our growth strategy, we intend to maximise production volumes at our Manufacturing Facilities. Further, we also intend to expand the installed capacities at our Manufacturing Facilities to support our growth initiatives. We are also in the process of expanding our manufacturing capabilities for the Acetyl Intermediates by acquiring AHPL, which through its wholly owned subsidiary, YCPL is engaged in the manufacturing of acetaldehyde and ethyl acetate. The aggregate installed production capacity at the YCPL Facility as on December 31, 2020 is 10,500 MTPA of acetaldehyde and 29,200 MTPA of ethyl acetate. Further, as a single site risk mitigation initiative, we are in the process of identifying one or more sites for the future growth of our business beyond the currently committed expansion initiatives.

Our capacity utilisation for the nine months ended December 31, 2020 of the AI Manufacturing Facility was 77.56% and of the SI Manufacturing Facility was 62.82%. We propose to increase the installed capacity at our AI Manufacturing Facility and are in the process of increasing the installed capacity at our SI Manufacturing Facility from 78,045 MTPA to 82,525 MTPA. We have also entered into certain long-term off-take agreements for one of our products which, we believe that execution of such agreements will ensure steady cash flows and capacity utilisation pursuant to the SI Manufacturing Facility expansion. As we continue to grow our existing business in new geographies and develop new products, we expect our that we would be able to maximise production volumes and increase our operating leverage.

Expanding and optimising our product portfolio

We intend to diversify our existing product portfolio by adding new products (including downstream and value added products) which are synergistic with our existing products and chemistries. We intend to perform and deliver products pursuant to the long-term contracts already entered into with certain customers. We believe that introduction of such products would increase our profit margins and the long-term contracts would provide us incremental and steady revenues. Further, we also intend to focus on growing our recently launched products in order to grow our customer base and revenues.

We also intend undertaking manufacturing of certain products on a contract manufacturing basis with our customers to ensure efficient utilisation of our Manufacturing Facilities and to increase our cash flows. In the past, we have also undertaken custom-manufacturing of certain products for our customers. Custom-manufacturing involves manufacturing of a new product or customizing our existing products based on customer specifications. We believe that such arrangements would further increase our profit margins, and accordingly, we intend to enter into custom-manufacturing for select customers. Such custom-manufacturing also adds to our existing knowledge of chemistries, thereby aiding product development.

Increasing our global footprint and augmenting growth in current geographies

With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the geographic markets where we sell our products as well as expand into new geographic markets. Currently, we have customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and USA. We have recently commenced sales of our products in Vietnam. Further, we have also received orders from new customers in the United States of America and also grown our sales in China during the current fiscal.

We will continue to focus our efforts in select geographies such as United States of America, and establish a greater presence there. Our growth strategy in these markets will be to create strong local presence and connect and expertise with required development capabilities to exploit growth potential offered by these markets. Our strong focus will remain on acquiring new customers, retaining existing customers and offering high quality products and innovation.

Establishing our fluorospecialty chemicals business

In June 2019, we acquired assets including plant & machinery, design and operating paperwork, REACH registrations and patents of Miteni, a manufacturer of organic fluorospecialties and electrochemical fluorination with a view to foray into the fluorospecialty chemical business and leverage our experience, capabilities and relationships. The assets acquired from Miteni include *inter alia* differentiated world-class technology and equipment and a library of more than 100 products including products in research and development and scale-up stages. Further, we have also acquired 14 patents, 41 REACH registrations and all the formulations, production and maintenance data and research and development data through this acquisition. We intend to capture the market share of Miteni given its existing chemistries and past customer base. We have also appointed a consultant in Italy to *inter alia* liaise for us and facilitate a speedy and successful handover, dismantling and relocation of the assets acquired as well as to obtain business development and marketing support in Europe.

The global fluorochemicals market was valued at USD 22.5 billion in calendar year 2019 and is projected to witness a significant growth at a CAGR of 5.1% to reach USD 28.8 billion by calendar year 2024 (source: Frost

& Sullivan Report). The market for fluorochemicals in India was valued at ~USD 405 million for the 2019 (source: Frost & Sullivan Report). It is estimated that up to 20% of pharmaceuticals in the market or in clinical development contain a fluorine atom and 50% of agrochemicals molecules developed recently also contain fluorine (source: Frost & Sullivan Report). According to the Frost & Sullivan Report, it is expected that in the future, one in every three new active pharmaceutical ingredients will be based on fluorine chemistry and thus fluorine based organic and inorganic chemical products are gaining high importance in the Indian market. Further, there is ample scope for a new player which can manage the complexity of handling the fluorine chemistry as well as a good understanding of the high growth segments such as that of intermediates (source: Frost & Sullivan Report).

We are in the process of setting up the Proposed Facility in Lote Parshuram, Maharashtra for manufacturing fluorospecialty chemicals which is proposed to commence operations by the fourth quarter of Fiscal 2022. For further details, see "*Objects of the Offer*" on page 100.

We believe that with our knowledge and capabilities in complex chemistries, experience in product development and large-scale manufacturing and availability of infrastructure, we are well poised to leverage the opportunity. Further, the local availability of raw materials, including chlorine and hydrofluoric acid is expected to provide us a cost advantage by reducing our dependence on imported raw material. Fluorochemistry is also synergistic with our existing diketene manufacturing process making the fluorospecialty business cost-effective. Given the broad based applications of fluorospecialty products in pharmaceutical and agrochemical sectors, we intend to leverage our existing relationships with customers to boost our entry into this segment. Our entry into this segment will also facilitate a growth in our customer base into new industries.

Continuing focus on innovation and leveraging chemistries and technology absorption

We intend to increase our initiatives in research and development in order to enhance our diversified product portfolio in both the domestic market and international markets. Our research and development capabilities have enabled us to expand our Specialty Intermediates offerings from 14 products as at March 31, 2012 to more than 34 products as at September 30, 2020. As part of our strategy, we will continue to leverage this know-how in complex chemistries and our experience in engineering to focus on the addition of downstream and value-added products to our product portfolio as well as addition of fluorospecialty products to our portfolio. Our new products in the AI and SI segment are expected to have synergies in terms of raw materials and processes with our existing products.

Further, we also intend to focus on the growth of our recently launched products in order to grow our customer base and revenues. We believe that some of our products have large revenue visibility. We have recently entered into a long-term agreement for sale of an agrochemical intermediate to a prominent crop sciences company and also recently launched an intermediate which can be used as an active pharmaceutical ingredient for a drug for HIV. Further, we also intend to set up a dedicated R&D unit for fluorospecialty at the Proposed Facility. We believe that investment in R&D provides us a long-term growth opportunity, and accordingly, we intend to continue to make investments in development of products which have applications in high-growth industries.

Impact of the COVID-19 pandemic on our business operations

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had/have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. Although some restrictions have been eased, it is not yet clear when the lockdown conditions will be fully lifted. The COVID-19 pandemic has adversely affected the domestic and global economy.

Many leading chemical manufacturers have reduced capital and operational expenditure to address the crisis and capacity utilizations had scaled down to 40%-60% capacity due to labour shortages and disruptions in the supply of raw material since March, however companies are slowly getting back to pre-Covid levels (source: Frost & Sullivan Report). There has been a mixed effect of COVID-19 on the acetyl intermediates business. The industry has witnessed an increase in sales and growth in flexible packaging and aluminium foil segment used to package the food & beverages (source: Frost & Sullivan Report). Healthcare sector was in demand during COVID crisis, which impacted positively on the pharmaceutical segment (source: Frost & Sullivan Report). However, the other commodities used in end applications like paints, coatings, adhesives, sealants, elastomers, etc. have been severely impacted due to the low demand attributed by the lockdowns imposed by various countries in all the continents (source: Frost & Sullivan Report).

We were permitted to continue operations during the lockdown since certain products manufactured by us were categorised as essential goods. While our AI Manufacturing Facility continued operations during the lockdown, our SI Manufacturing Facility was shut down initially for a period of 15 days. Post April 15, 2020, both Manufacturing Facilities have been fully operational. We have implemented greater safety procedures and requirements at our Manufacturing Facilities to meet the government's requirement on sanitisation, and social distancing. However, due to limited availability of labour, logistics and supply chain constraints, our Manufacturing Facilities were initially operating at sub-optimal capacity utilization until mid-May 2020. Subsequently, our plant utilization has improved, raw material suppliers have resumed operations and supply and logistics have become more regular. The details of capacity utilisation at our Manufacturing Facilities during the period from March 1, 2020 to April 30, 2020, and the period from May 1, 2020 to December 31, 2020 are set forth below:

Manufacturing Facility	Capacity utilisation from March 1, 2020 till April 30, 2020 (in %)	Capacity utilisation from May 1, 2020 till December 31, 2020 (in %)
AI Manufacturing Facility	75.66	78.55
SI Manufacturing Facility	41.06	67.50

Note: Capacity utilization has been calculated on the basis of actual production in the relevant period divided by the installed production capacity available for the relevant period. For further details in connection with the installed and utilised capacity at our Manufacturing Facilities, please see "Our Business - Our Manufacturing Facilities and Distilleries" on page 176.

We have not terminated any lease deed or laid-off any employees and have not withheld any payments to employees as a consequence of the COVID-19. We have continued selling products to our customers and during the six months ended September 30, 2020, our revenue from operations on a consolidated basis was ₹8,134.06 million, including sales of products aggregating to ₹8,060.19 million.

We have continued to source raw materials from our suppliers and have been able to continue to supply our products to our customers. To meet the requirement for sanitisers during the COVID-19 pandemic, we had leveraged our manufacturing capabilities to manufacture sanitisers.

The future impact of COVID-19 or any other severe communicable disease on our business and results of operations depends on several factors including those discussed in "*Risk Factors – Internal Risk Factors – The continuing impact of the outbreak of the COVID-19 could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations.*" on page 27 and "*Risk Factors – External Risk Factors- Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.*" on page 57. We are continuously monitoring the economic conditions and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business.

Our Products

The products currently manufactured by us are divided into two categories, namely the Acetyl Intermediates and the Specialty Intermediates.

Set forth below is the contribution of our manufactured Acetyl Intermediates and the Specialty Intermediates manufactured by our Company and others (including traded goods) to our revenue from sale of manufactured products and services, on a standalone basis, for the periods indicated below:

Product category	Six months ended September 30, 2020		Fiscal 2020		Fiscal 2019		Fiscal 2018	
	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Acetyl Intermediates *	4,104.10	55.37	8,018.54	59.33	8,835.73	62.24	6,209.76	49.22
Specialty Intermediates *	2,239.64	30.21	4,346.86	32.16	4,527.18	31.89	4,084.66	32.38
Others (including traded goods)	1,068.64	14.42	1,149.72	8.51	833.84	5.87	2.321.83	18.40
Revenue from sale of manufactured products and services	**7,412.38**	**100**	**13,515.12**	**100**	**14,196.75**	**100**	**12,616.25**	**100**

**Acetyl Intermediates and Specialty Intermediates manufactured by us including exports to Laxmi Netherlands.*

A brief description of the Acetyl Intermediates and the Specialty Intermediates is set forth below:

Acetyl Intermediates

We have an experience of almost three decades in manufacturing Acetyl Intermediates and have a well-established market presence in the Acetyl Intermediates market. As on September 30, 2020, the Acetyl Intermediates comprise of 13 products including ethyl acetate, acetaldehyde and fuel- grade ethanol.

The Acetyl Intermediates find application in inter alia the pharmaceuticals, agrochemicals, inks and paints, coatings, printing, packaging and adhesives industries. Ethyl acetate is used in multiple industries as a solvent. Its faster evaporation rate and quick drying time makes it one of the preferred solvents in *inter alia* the pharmaceuticals, flexible packaging and printing inks industries (source: Frost & Sullivan Report).

Specialty Intermediates

As on September 30, 2020, the Specialty Intermediates comprise of more than 34 products which include ketene, diketene derivatives namely esters, acetic anhydride, amides, arylides and other chemicals. Our product portfolio includes over 30 diketene derivatives and we have one of the largest portfolios of diketene products (source: Frost & Sullivan Report).

Our Specialty Intermediates find application in inter alia the pharmaceuticals, agrochemicals, dyes and pigments, flavor and fragrance and paints and coatings industries. Diketene derivatives have versatile applications in *inter alia* agrochemicals, dyes, pigments, pharmaceuticals, vitamins, and stabilizers for *inter alia* PVC and polyester (source: Frost & Sullivan Report).

In addition to the products mentioned above, we also provided contract manufacturing services, pursuant to which we utilise our expertise to manufacture specific chemicals for customers based on their specification and requirements.

We are also in the process of commencing the manufacturing of fluorospecialty chemicals. For further details see *"-Our Strategies- Establishing our fluorospecialty chemicals business*" and "*Objects of the Offer*" on pages 172 and 100 respectively.

Our Manufacturing Facilities and Distilleries

We currently have two strategically located Manufacturing Facilities in Maharashtra located on over 80,000 square meters of land. The AI Manufacturing Facility dedicated to the manufacturing of the Acetyl Intermediates, while the SI Manufacturing Facility dedicated to the manufacturing of the Specialty Intermediates. Our Manufacturing Facilities are located in proximity to several ports which ensures that we have ready access to port facilities and are able to economically and expediently import our raw materials and export our products to customers located outside India.

Our Manufacturing Facilities are equipped with sophisticated technology relevant for the products manufactured by us. Our Manufacturing Facilities have received a number of accreditations including ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. We are one of the few Indian chemical companies to be recognised with RESPONSIBLE CARE certification by the Indian Chemical Council. We have received authorisation from the U.S. Department of Agriculture for use of the USDA Certified Biobased Product Label for Ethyl Acetate.

The product-wise details of the installed production capacity, available capacity, actual production and capacity utilisation at our Manufacturing Facilities for the nine months ended December 31, 2020 and Fiscals 2020, 2019 and 2018, are set forth below:

Period	Installed production capacity at end of Fiscal/period (MTPA)	Available production capacity for the Fiscal /period (MT) (A)	Actual production for the Fiscal/ period (MT) (B)	Capacity utilization (C=B/A) (in %)
Acetyl Intermediates				
Nine months period ended December 31, 2020	161,320.00	120,990.00	93,844.95	77.56%
Fiscal 2020	161,320.00	161,320.00	134,816.61	83.57%
Fiscal 2019	161,320.00	161,320.00	128,869.63	80.00%
Fiscal 2018	161,320.00	161,320.00	103,946.57	64.44%
Specialty Intermediates				
Nine months period ended December 31, 2020	78,045.00	58,533.75	36,776.41	62.82%
Fiscal 2020	78,045.00	78,045.00	46,937.00	60.14%
Fiscal 2019	78,045.00	78,045.00	42,941.00	55.02%
Fiscal 2018	76,230.00	76,230.00	44,558.00	58.00%

Note: Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal/ period divided by the installed production capacity available for the relevant Fiscal/ period.

Further, our Distilleries are used for the manufacturing of ethanol or specially denatured sprit from molasses. Ethanol is a raw material in the manufacturing of ethyl acetate. The details with respect to the aggregate installed production capacity, actual production and utilisation with respect to ethanol at the Distilleries is as set forth below:

Period	Installed production capacity at end of Fiscal/Period (KLPA)	Available capacity for the Fiscal /Period (KL) (A)	Actual Production (KL) (B)	Capacity Utilization (C=B/A) (in %)
Panchganga Distillery				
Nine months period ended December 31, 2020	9,112	5,605	1,798	32.08%
Fiscal 2020	9,112	9,112	2,328	25.54%

Period	Installed production capacity at end of Fiscal/Period (KLPA)	Available capacity for the Fiscal /Period (KL) (A)	Actual Production (KL) (B)	Capacity Utilization (C=B/A) (in %)
Fiscal 2019	9,112	9,112	9,423	103.41%
Fiscal 2018	9,112	9,112	5,134	56.35%
Jarandeshwar Distillery				
Nine months period ended December 31, 2020	8,100	4,960	1,201	24.23%
Fiscal 2020	8,100	8,100	3,916	48.35%
Fiscal 2019	8,100	8,100	3,711	45.81%
Fiscal 2018	8,100	8,100	952	11.75%

Note: Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal/ period divided by the available capacity available for the relevant Fiscal/ period.

In addition to the Manufacturing Facilities and the Distilleries, we are in the process of setting up the Proposed Facility, which is proposed to be used for the manufacturing of fluorospecialty chemicals. For further details, see *Our Strategies- Developing our fluorospecialty chemical business with an initial focus on the pharmaceutical and agro industries*". The assets acquired by us from Miteni are to be relocated the Proposed Facility. For further details, see "*Objects of the Offer*" on page 100. The estimated aggregate installed production capacity of the Proposed Facility shall be 13,820 TPA.

We are also in the process of expanding the installed capacity of our SI Manufacturing Facility by 4,480 MTPA. The enhanced installed capacity is proposed to be dedicated to two products of our Company which form part of our Speciality Intermediates' product portfolio. For details, see "*Objects of the Offer*" on page 100.

Further, we are also in the process of expanding our manufacturing capabilities for the Acetyl Intermediates by acquiring YCPL (a wholly owned subsidiary of AHPL) from Ravi Goenka, one of our Promoters and Chairman and Managing Director and Harshvardhan Goenka, a member of our Promoter Group and Executive Director - Business Development and Strategy. YCPL is engaged in the manufacturing of acetaldehyde and ethyl acetate. For further details, see "*History and Certain Corporate Matters*". The aggregate installed production capacity at the YCPL Facility as on December 31, 2020 is 10,500 MTPA of acetaldehyde and 29,200 MTPA of ethyl acetate.

Utilities

As part of our manufacturing operations we require a steady and abundant supply of power and steam. The Power Facilities enable us to have ready access to cheap power and steam and reduces our costs of power and steam. Our power and fuel expenses accounted for only 5.82%, 6.64%, 6.58% and 6.42%, respectively, of our total expenses for the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018. For the nine months ended December 31, 2020, 53.04% of our Manufacturing Facilities' power consumption was met from the Power Facilities, with 5.87% being met from the Renewable Power Facilities. The Captive Power Plant has a capacity of 7.5 MW, the hydro-electric power project at Yedgaon has a capacity of 3 MW and the windmills have a capacity of approximately 1.20 MW each. Our Manufacturing Facilities were dependent on the grid for 46.96% of our power consumption during the nine months ended December 31, 2020.

Further, on January 25, 2021, our Company has been inducted as a partner in Cleanwin Energy One LLP ("**Cleanwin**") pursuant to an acquisition of 26% stake in Cleanwin. Cleanwin is engaged in the business of generating electric power by operating wind energy generation plants located in certain locations. With a view to secure power supply, our Company has on January 25, 2021 entered into a power purchase agreement with Cleanwin pursuant to which Cleanwin is required to sell at least 51% of the power generated from the wind energy generation plants to our Company in terms of the power purchase agreement.

We primarily source water for our Manufacturing Facilities from MIDC.

Manufacturing process

We manufacture bulk and specialty products at our facilities and have a large range of processes, technologies, chemistries and equipment's to choose from. Each of our product/product groups would be unique and have their individual processes of manufacturing. Our equipment's are made from different materials to suit product characteristics and allow us to operate flexibly between changeovers.

Regulatory and environmental matters

We are subject to extensive environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, in relation to our Manufacturing Facilities and Distilleries. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. For further details see "*Key Regulations and Policies in India*" and *"Government and other approvals*" on pages 182 and 347 respectively.

Our Manufacturing Facilities possess effluent treatment processes in compliance with applicable law. Further, we are members of hazardous waste treatment and disposal facilities with respect to our Manufacturing Facilities. We are one of the few Indian chemical companies to be recognised with RESPONSIBLE CARE certification by the Indian Chemical Council.

Health and safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, occupational health and safety policy that is aimed at *inter alia* preventing environmental pollution, preventing injury and ill health to our personnel and other interested parties, complying with applicable legal and regulatory and other environmental, occupational health and safety requirements and optimising use of resources.

Our Company is a signatory to the Responsible Care Program instituted in India by the Indian Chemical Council. Our Company has a well-established Occupational Health and Safety Management System ("**OHSMS**") which has received the ISO 45001:2018 certification. We believe that our Company's OHSMS has enabled our Company to prevent the occurrence of any material reportable incidents at our Manufacturing Facilities during the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018.

Raw materials

We procure our raw materials essential for manufacturing our products from domestic and international vendors. 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. 70.49% and 76.71% of our Company's total purchases on a standalone basis, for the six months ended September 30, 2020 and Fiscal 2020, was incurred on imported raw materials and coal. However, our dependence on imports from China is low, accounting for 7.56% and 26.49% of our Company's total imports on a standalone basis for the six months ended September 30, 2020 and Fiscal 2020, respectively.

The primary raw materials for the manufacturing of the Acetyl Intermediates include ethanol and acetic acid. The primary raw materials for the manufacturing of the Specialty Intermediates include aniline, monomethyl amine, ortho anisidine, ortho toluidine and acetic acid. Further, the primary raw material for our Distilleries is molasses.

In the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, purchases of raw materials made by us from our top ten suppliers represented 75.59%, 80.84%, 67.51% and 77.98%, respectively, of our total expenses on a consolidated basis for such periods. We enter into agreements with our suppliers and negotiate prices on an ongoing basis. While we do not enter into long-term fixed price contracts, we enter to volume based agreements with our key suppliers.

Quality control and quality assurance

We believe that maintaining a high standard of quality of our products and our Manufacturing Facilities is critical to our growth and continued success. Certain of our customers perform their own quality checks at our Manufacturing Facilities to ensure that our products meet their demands and comply with the requirements. In addition, our Manufacturing Facilities are subject to compliance audits in relation to quality management by third party agencies appointed by our customers.

We have put in place quality systems that cover all areas of our business processes from manufacturing to product delivery for ensuring consistent quality, efficacy, and safety of our products. Various in-process quality checks are performed to monitor product quality during the manufacturing process. We also conduct supplier quality evaluation processes, and our quality control department ensures that materials received comply with our internal standards and specifications which are designed to satisfy the requirements set forth by our customers. We believe that provision of high-quality products is a key differentiator in our business, critical to our continued success and the maintenance of long-term relationships with key customers.

We have a dedicated team of qualified professionals that is responsible for maintaining our required quality standards. We believe that we implement and maintain best industry practices including for, adequate premises and space, suitable equipment, appropriate use of raw materials, carrying out our manufacturing through approved procedures and instructions. All products are tested to specification before release to our customers and monitored throughout shelf life.

Inventory management

Our finished products are stored on-site at our Manufacturing Facilities as well as at storage tanks of third parties utilised by us. The raw materials are stored at our Manufacturing Facilities, Distilleries and certain storage tanks of third parties utilised by us. These inventory levels are planned based on contractual quantities and expected orders. We maintain a lead-time material requirement planning system and utilize our ERP software to manage our levels of inventory on a real-time basis.

Research and development

We believe that research and development is crucial for our future growth. Our research and development efforts are driven by the requirements of customers (potential and current) and we regularly monitor industry trends to ensure our products and production techniques remain relevant given the evolving market and customer requirements.

We have two DSIR recognised R&D Facilities, comprising of one R&D Facility located within the SI Manufacturing Facility which primarily deals with projects related to the direct application of ketene and diketene and the Rabale Innovation Centre, which predominantly works on development of new products for us based on complex chemistries. The R&D Facilities are equipped with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates (Frost & Sullivan Report). We regularly monitor and update our research and development capabilities.

We have a dedicated team of highly qualified research scientists holding advanced degrees, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. The R&D team also aims to provide solutions to improve manufacturing efficiency on the existing products and reduce production costs with respect to existing products. As at December 31, 2020, we had 44 permanent employees engaged in the research and development function.

We also intend to set up an R&D kilo lab at the Proposed Facility. See "*Objects to the Offer*" on page 100.

Logistics

Our Manufacturing Facilities are strategically located in proximity to several ports in Maharashtra including the Jawaharlal Nehru (Nhava Sheva) Port located in Navi Mumbai, JSW port in Jaigarh and Mumbai port. We transport our raw materials and our finished products by air, road and sea. We outsource the transport of our raw materials to third-party logistics companies for our transportation and logistics requirements.

We predominantly sell our products on a cost, insurance and freight basis. For exports, our freight forwarders co-ordinate with the shipping line to file and release the necessary bills of lading waybills.

Sales, marketing and distribution

We maintain direct contact with majority of our customers which allows us to understand the technical needs and specifications of our customers as well as their future requirements. We have a well-established distribution network housed in our Subsidiaries in Europe, the middle east and China enables us to service international demand, including demand in China. Our Subsidiaries have offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates). also have offices in Mumbai and Pune (Maharashtra) and Ahmedabad (Gujarat) in India. We engage distributors in select jurisdictions for the storing, promoting, selling and distributing our products in such jurisdictions. Further, also engage agents for promoting certain of our products and the procurement and execution of orders for our products. We have an in-house team dedicated to the sale, marketing and distribution of our products, in India and abroad.

Customers

We have a diversified customer base, in India and abroad. We supply our products to customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Our customers include multinational companies as well as domestic companies.

We have established long-standing relationships with marquee players such as Syngenta Asia Pacific Pte. Ltd., Covestro (India) Private Limited, Alembic Pharmaceuticals Limited, Dr. Reddy's Laboratories Limited, Flint Group India Private Limited, Granules India Limited, Hetero Labs Limited, Heubach Colour Private Limited, Hubergroup India Private Limited, Huhtamaki India Limited, Laurus Labs Limited, Macleods Pharmaceuticals Private Limited, Mylan Laboratories Limited, Neuland Laboratories Limited, Parikh Packaging Private Limited, Suven Pharmaceuticals Limited, Colourtex Industries Private Limited and UPL Limited. We believe that the long-term relationships with key customers is a testament to our ability to evolve our capabilities to meet our customers' requirements.

The products manufactured by us find application in a number of high growth industries. The Acetyl Intermediates find application in inter alia the pharmaceuticals, agrochemicals, inks and paints, coatings, printing, packaging and adhesives industries. Our Specialty Intermediates find application in inter alia the pharmaceuticals, agrochemicals, dyes and pigments, flavor and fragrance and paints and coatings industries.

Human resources

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce is critical in strengthening our competitive position. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. Our training programmes are focused on industry practices, recent trends and new technologies. We believe this enables us to achieve higher level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

As of December 31, 2020, our Company had 649 permanent employees.

Information technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our Manufacturing Facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers and receivables from customers. We also utilize an enterprise resource planning solution which covers production, finance, sales, marketing logistics, purchase and inventory, across our Manufacturing Facilities.

Competitors

We compete with different companies depending on the market and type of products. We compete with large multinational pharmaceutical companies and smaller regionally based competitors. Some of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions.

Intellectual property

Our Company has obtained trademark registrations under the Trade Marks Act, 1999 with respect to "Laxmi" (under classes 1, 2,3,4,5,9,35 and 42) "Laxmisolv" (under classes 1,2,3,4 and 5). Further, our Company has also obtained a copyright registration under the Copyrights Act, 1957 with respect to our logo.

We hold patents in Belgium, France, Hungary, Italy, Germany, Japan, Netherlands, Spain, Switzerland, United Kingdom and United States of America. We have additionally, filed applications for the grant of two process patents in India which are pending since February 25, 2020 and November 24, 2020.

Insurance

Our Company has public and product liability insurance, industrial all risk insurance policies with respect to our Manufacturing Facilities, Jarandeshwar Distillery and Rabale Innovation Centre, fire floater policies/standard fire and special perils policies with respect to our Corporate Office and stock in certain locations and a marine export import insurance open policy. Our Company has also obtained cyber and data protection, commercial crime and commercial general liability insurance policies.

Additionally, we have obtained a directors and officers liability insurance policy with respect to the directors and officers of our Company and our Subsidiaries incorporated in India. Our Company has also obtained a group mediclaim policy and a term insurance with respect to certain employees.

Corporate social responsibility

We incurred an expenditure of ₹ 0.40 million, ₹ 32.46 million and ₹ 5.88 million in Fiscals 2020, 2019 and 2018 respectively, towards corporate social responsibility expenditure in compliance with the Companies Act, 2013. We have also incurred an expenditure of ₹ 2.75 million towards corporate social responsibility expenditure during the six months ended September 30, 2020. This includes contributions and donations made for *inter alia* providing medical aid, promoting education and community development services. Please see "*Risk Factors - There are certain amounts which remain unspent by our Company towards CSR expenditure. Any failure to spend these amounts in accordance with Section 135 of the Companies Act, 2013 (read with the relevant rules prescribed thereunder) may adversely impact our cash flows and reputation*" on page 56.

Properties

Our Manufacturing Facilities are located in Mahad, Maharashtra on premises held by us on 95-year leases from Maharashtra Industrial Development Corporation. Our Registered Office and Captive Power Plant are located within the AI Manufacturing Facility. The Jarandeshwar Distillery is located on leased premises and is currently utilised by us on a build, operate and transfer basis, while we utilise the Panchganga Distillery on a leasehold basis. Further, our Corporate Office and one of our windmills are located on owned premises, while most of our other offices and Renewable Power Facilities are located on leased or licensed premises. We also have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai (Maharashtra), Rotterdam (Netherlands), Genoa (Italy) and Antwerp (Italy).

The premises underlying the Proposed Facility are currently licensed to us by MIDC for a period of three years. Post erection of the factory building and works on such premises and our compliance with the stipulations and conditions of such license, we shall be granted a 95 year lease (calculated from the earlier of the date of the license and the date of taking possession).

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.

The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislation apply to us as they do to any other company. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 347.

Laws in relation to our business

The Factories Act, 1948 ("Factories Act")

The term '*factory*', as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the '*occupier*' of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the "*occupier*" of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

The Indian Boilers Act, 1923 ("Boilers Act") and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

The Boilers Act seeks to regulate *inter alia*, the manufacture, possession and use of boilers. In terms of the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by an inspector appointed by the relevant State Government. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings.

The Public Liability Insurance Act, 1991 ("PLI Act")

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandates the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate *inter alia,* the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases. The Packaged Commodity Rules prescribes for the regulations for pre-packing and the sale of commodities in a packaged form, certain rules to be adhered to by wholesale and retail dealers, the declarations to be made on every package, the manner in which the declarations shall be made, etc. These declarations that are required to be made include, *inter alia*, the name and address of the manufacturer, the dimensions of the commodity and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual MRP and bringing e-commerce within the ambit of these rules.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till March 31, 2021) provides that no person or company can make exports or imports without having obtained an importer exporter code ("**IEC**") number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce ("**DGFT**"). An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

The DGFT by way of a notification dated May 24, 2019 (the "**Ethyl Alcohol Notification**"), has amended the import policy of biofuels under chapter 22, 27 and 38 of ITC(HS), 2017, Schedule -I. Pursuant to the Ethyl Alcohol Notification, the import of ethyl alcohol and other spirits, which are denatured is "restricted" for all purposes. Any import of ethyl alcohol, in a denatured form will require an import license from the DGFT.

The Explosives Act, 1884 ("***Explosives Act***")

The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of 'explosives' under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

The Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Under the Petroleum Rules, 2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

The Narcotic Drugs and Psychotropic Substances, Act, 1985 ("NDPS Act") and the Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013 ("NDPS Order")

The NDPS Act is a legal framework which seeks to control and regulate operations relating to narcotic drugs and psychotropic substances. It prohibits, *inter alia*, the production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes, and in the manner and to the extent permissible by the NDPS Act or any rules framed thereunder. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the NDPS Act are essentially related to violations of the various prohibitions imposed under the NDPS Act, punishable by both imprisonment and monetary fines. The NDPS Order classifies certain substances including, acetic anhydride and anthranilic acid as "controlled substances" in Schedule A of the NDPS Order. The NDPS Order requires for every person on entity who is engaged in the manufacturing, trade, possession and consumption of the "controlled substances" classified under Schedule-A of the NDPS Order to obtain a unique registration number issued by the Zonal Director of Narcotics Bureau.

The Static and Mobile Pressure Vessels (Unfired) Rules 2016 ("SMPV Rules")

The SMPV Rules regulate the manufacture, filling, delivery, import, modification and repair of pressure vessels. Under the SMPV Rules, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended or cancelled.

The Bombay Prohibition Act, 1949 ("Bombay Prohibition Act")

The Bombay Prohibition Act which applies to the state of Maharashtra, aims to prohibit the sale of alcohol without obtaining a license in terms of its provisions. The licenses provided under the Bombay Prohibition Act can be suspended or cancelled in terms of the provisions of Section 54 or 56 of the Bombay Prohibition Act. The Bombay Prohibition Act prohibits any person to keep in his possession denatured spirit in excess of prescribed limit except pursuant to obtaining a permit granted by an officer empowered by the government of Maharashtra.

The Poisons Act, 1919 ("Poisons Act")

The Poisons Act enables state governments to grant licenses for the possession, sale, wholesale or retail and fixing of the fee, if any, of poisons. The Poisons Act also enables state governments to regulate the classes of persons to whom such license may be granted, the maximum quantity of poison which may be permitted to be sold, etc.

Maharashtra Poisons Rules, 1972 ("Poisons Rules")

The Poisons Rules were formulated by the state of Maharashtra in exercise of its powers conferred by the Poisons Act, 1919. The Poisons Rules prohibits any person from possession or selling any substances that are classified as poisonous by the Poisons Rules, including, methanol, either through wholesale or retail channels except with the prior permission of the licensing authority.

The Drugs (Prices Control) Order, 2013 ("DPCO")

The DPCO is an order issued by the GOI under Section 3 of the Essential Commodities Act, 1955. The DPCO states that the GoI in light of public interest, may fix the ceiling price or retail price of any drug it for any such period it deems fit.

Environmental laws

***The Environment (Protection) Act, 1986* ("*EPA*")**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. 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.

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 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.

Intellectual Property laws

The Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trademarks.

The Patents Act 1970 ("Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

The Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 2013 ("**Copyright Laws**") governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as a *prima facie* evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Labour related legislations

Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the following:

- The Apprentices Act, 1961;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Prospectus , namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Other laws

We carry on our operations and business in foreign jurisdictions such as the Netherlands, the United Arab Emirates and the People's Republic of China. For further details, see "*Our Business*" on page 164. Our business and operations in such foreign jurisdictions are and will be subject to applicable local laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Laxmi Organic Industries Limited at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 15, 1989, issued by the RoC. Our Company received a certificate for commencement of business on December 20, 1989, pursuant to the provisions of the Companies Act, 1956.

Change in the Registered Office

Except as disclosed below, there has been no change in our registered office since incorporation.

Effective date of change	Details of change	Reason(s) for change
August 9, 2002	The registered office of our Company was changed from A-16, Vatsa House (formerly known as Noble Chambers), Janmobhoomi Marg, Fort, Mumbai- 4000 001, Maharashtra to A-22/2/3 MIDC Mahad Area, P.O. Mahad Dist., Raigad, Thane, Maharashtra*	Ease of administration

** On June 1, 2013, our Company updated the company master data from A-22/2/3 MIDC Mahad Area PO Mahad Dist Raigad, Thane, Maharashtra to A-22/2/3, MIDC Mahad, Raigad – 402 309, Maharashtra to rectify the registered office address.*

Main Objects of our Company

The main objects contained in our Memorandum of Association are as mentioned below:

"1. 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 kind whatsoever, and all by-products and joint products thereof;

2. To carry on business as chemical engineers, analytical chemists, importers, exporters, manufacturers of and dealers in heavy chemicals, acids, alkalies, petro-chemicals, chemical compounds, and chemicals of all kinds (solid, liquid and gaseous), drugs, medicines, pharmaceuticals, antibiotics, tannins, tannin extracts, essences, solvents, plastics of all types, dyestuffs, Intermediates, textile auxiliaries, cellophanes, colours, dyes, paints, varnishes, vat and other organic dyestuffs, chemical auxiliaries, disinfectants, insecticides, fungicides, deodorants, biochemicals and pharmaceutical, medicinal, sizing, bleaching, photographical and other preparations and articles.

2A. To carry on all or any of the business of producers, manufacturers, purchasers, creators generators, suppliers, distributors, transformers, converters, transmitters, processors, developers, storers, procurers, carriers and dealers in electricity, all form of energy and any such products and by-products derived from such business including without limitation steam, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including, without limitation to conventional sources such as heat, thermal, hydel and/or from non-conventional sources such as tidal wave, wind, solar, geothermal, biological, biogas and coal bed methane or other energy of every kind and description and energy devices such as but not limited to stoves, cookers, heaters, geysers, biogas, plants, gas and steam turbines, boilers, generators, alternators, diesel generating sets and other energy devices and appliances of every kind and description and further to engage in putting power transmitting lines, power stations, supply of electricity to State Electricity Board or other authorities and private parties"

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Prospectus:

Date of Shareholders' Resolution	Particulars
September 24, 2018	Clause V of our Memorandum of Association was substituted to reflect the increase in the authorized share capital of our Company, from ₹ 210,000,000 comprising of 21,000,000 equity shares of ₹ 10 each to ₹ 510,000,000 comprising of 51,000,000 equity shares of ₹ 10 each.
November 24, 2020	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company, from ₹ 510,000,000 comprising of 51,000,000 equity shares of ₹ 10 each to ₹ 610,000,000 comprising of 61,000,000 equity shares of ₹ 10 each and subsequent sub-division 61,000,000 equity shares of ₹ 10 each to 305,000,000 equity shares of ₹ 2 each.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Fiscal	Particulars
1992	Commission of the AI Manufacturing Facility at Raigad for manufacturing of glacial acetic acid
1996	Commenced production of ethyl acetate
2004	Installation of two windmills at Chitradurga district, Karnataka with capacities of 0.6 MW each.
	Receipt of ISO 9001-2000 certifications for manufacture and marketing of ethyl acetate, acetic acid and absolute alcohol.
2006	Installation of windmill at Ghatnandre, Sangli, Maharashtra with capacity of 1.25 MW
2008	Expansion of ethyl acetate manufacturing capacity at the AI Manufacturing Facility to 51,000 MT
2008	Setting up of distillery at Jarandeshwar
2010	Acquisition of Clariant's ketene/diketene business and expansion into diketene and diketene derivatives products by commissioning of the SI Manufacturing Facility
	Receipt of ISO 14001:2009 and OHSAS 18001:2007 certifications for manufacturing and marketing of ethyl acetate, acetic acid and its derivatives, acetaldehyde and absolute alcohol
2011	Increase from 8,900 MT to 13,380 MT in the capacity of diketene and diketene derivatives and expansion of ethyl acetate capacity to 120,750 MT
	Setting up of DSIR approved R&D centre at our SI Manufacturing Facility
2012	Investment by the International Finance Corporation in our Company
2013	Incorporation of our Subsidiary, Laxmi Organic (Europe) B.V., in Netherlands, Europe
	Incorporation of our Subsidiary, Laxmi Petrochem Middle East FZE in Sharjah
2018	Commissioning of our hydro-electric power project at Yedgaon
2019	Receipt of DSIR registration for the Rabale Innovation Centre
2020	Acquisition of assets from Miteni by VLPL
2021	Receipt of USDA Certified Biobased Product label from U.S. Department of Agriculture for ethyl acetate
	Signing of definitive agreements for the YCPL Acquisition
	Receipt of ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015 certification for the manufacturing, marketing and sales of ethyl acetate, acetic acid and its derivatives, acetaldehyde and absolute alcohol
	Investment in Cleanwin Energy One LLP, which is engaged in the business of generation of renewable energy to acquire 26% stake, and execution of a power purchase agreement in connection therewith.

Awards, accreditations or recognitions

Our Company has received the following awards, accreditation and recognition:

Sr. No.	Award/ Accreditations	Calendar Year
1.	For details with respect to our ISO certifications, see "*History and Certain Corporate Matters- Major events and milestones of our Company*" on page 188 and "*Our Business – Quality control and quality assurance*" on page 178	2009

Sr. No.	Award/ Accreditations	Calendar Year
2.	Our Company won the Maharashtra Safety Awards - 2018 for "Meritorious Performance in Industrial Safety During the Year 2017" in Chemicals & Fertilizers, granted by the National Safety Council – Maharashtra Chapter	2018
3.	Our Company won the ICC Award 2019 for "Excellence in Energy Conservation and Management", granted by the Indian Chemical Council	2020
4.	Our Company won the 21st National Award for Excellence in Energy Management 2020 for "Energy Efficient Unit", granted by the Confederation of Indian Industry for the manufacturing Unit 2 in Mahad	2020
5.	For details with respect to our USDA certification, see "*History and Certain Corporate Matters- Major events and milestones of our Company*" on page 188 and "*Our Business – Quality control and quality assurance*" on page 178	2020

Our holding company

As on the date of this Prospectus, our Company does not have a holding company.

Subsidiaries, Associate or joint ventures

We do not have any joint ventures, and for details with respect to our Subsidiaries and Associate, see "*Our Subsidiaries and Associate*" beginning on page 192.

Time/cost overrun

Other than in the ordinary course of implementation of and setting up of our Manufacturing Facilities, there have been no time/cost overruns in relation to implementation of our projects since incorporation. Further, due to the COVID-19 pandemic, there has been a delay in the execution of the Proposed Facility. See "*Risk Factors – If there are delays in transfer of the necessary approvals in relation to the Proposed Facility or if the costs of setting up and the possible time or cost overruns related to the Proposed Facility, expansion of the SI Manufacturing Facility or the purchase of plant and machinery for augmenting infrastructural development of the SI Manufacturing Facility are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects*" on page 39.

Launch of key products or services, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets to the extent applicable, see "*Our Business*" on page 164.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured. However, in the six month period ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, there was a delay of five days in the repayment of a loan availed by our Company.

Details of material acquisition or divestments in the last 10 years

Except as disclosed below, our Company has not acquired or divested any business/undertaking in the 10 years preceding the date of this Prospectus:

Acquisition of moveable assets of Miteni

Our Subsidiary, Viva Lifesciences Private Limited has acquired the title on, *inter alia*, the machinery, plants, equipment, patents and other intangible assets of Miteni, by way of an auction bid dated June 10, 2019, for an amount of EUR 4.63 million. Our Subsidiary, YFCPL has issued a purchase order to VLPL for the purchase of the Miteni Assets (including estimated dismantling charges, ocean freight, insurance and other incidental costs),

for an aggregate estimated consideration of approx. €8.87 million (approx. ₹ 763.30 million*), which is proposed to be completed through a high seas sale. Further, VLPL, through its letter dated December 9, 2020, has undertaken to execute necessary documentation for the transfer of the patents, REACH registration and other intangible assets acquired from Miteni to YFCPL, within 45 days of such sale of the plant and equipment.
**Conversion rate considered €1=₹ 86.00 (based on prevailing foreign exchange rates at the time of issuing the purchase order.*

Mergers or amalgamation in the last 10 years

Our Company has not undertaken any merger or amalgamation in the 10 years preceding the date of this Prospectus.

Revaluation of assets in the last 10 years

Our Company has not revalued its assets in the 10 years preceding the date of this Prospectus.

Details of shareholders' agreements

Except as disclosed below, there are no subsisting shareholder's agreements among our shareholders *vis-a-vis* our Company, which our Company is aware of.

Letters issued by the Company to all investors which have been allotted Equity Shares pursuant to the Pre-IPO Placement ("Pre-IPO Investors"), each dated March 1, 2021 (collectively referred to as "Pre-IPO Letters")

Pursuant to the Pre-IPO Placement, the Company has issued the Pre-IPO Letters to all the Pre-IPO Investors. As per the terms of the Pre-IPO Letters, the Company has undertaken that if its Equity Shares are not listed on any recognized stock exchange in India within a period of 12 months from February 11, 2021, each Pre-IPO Investor shall have the option to provide a written request ("**Buy-Back Notice**") to the Company to buy-back their respective Equity Shares allotted pursuant to the Pre-IPO Placement within a period of fourteen days from the expiry of such period, that is, by February 24, 2022. Upon receipt of the Buy-Back Notice, the Company shall have an obligation to buy-back the Equity Shares (subject to applicable laws) at a price at which the Equity Shares were subscribed to, within a period of 60 days from the Buy-Back Notice. The Company's obligation to buy-back the Equity Shares allotted to the Pre-IPO Investors shall automatically terminate on and from the date of listing of the Equity Shares on the Stock Exchanges.

Other agreements

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Other than as disclosed below, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

Share purchase agreement dated December 9, 2020 ("Execution Date") among our Company, Ravi Goenka, Harshvardhan Goenka, AHPL and YCPL

Our Company has entered into a share purchase agreement dated December 9, 2020 with Ravi Goenka, Harshvardhan Goenka (together, the "**Sellers**"), AHPL and YCPL, for the acquisition of Acetyls Holding Private Limited ("**AHPL SPA**"). Pursuant to the AHPL SPA, our Company has agreed to purchase and the Sellers have agreed to sell, 100% equity share capital of AHPL, amounting to 21,00,000 equity shares, which would result in AHPL becoming our wholly owned subsidiary and YCPL, our step-down subsidiary (such transaction, the "**YCPL Acquisition**"). In terms of the AHPL SPA, the purchase consideration payable by our Company for the YCPL Acquisition (the "**Purchase Consideration**") shall be the lower of ₹ 400.10 million (based on a valuation report dated November 26, 2020, issued by a registered valuer) and the amount that will be derived based on the pre-decided valuation of 10x trailing twelve month P/E multiple for the period ending September 30, 2021 of AHPL (on the basis of audited consolidated financials of AHPL and the YCPL as on September 30, 2021). Further to the AHPL SPA, our Company will pay the Purchase Consideration in two tranches including (i) an aggregate payment of ₹ 200.00 million, in equal proportions, to Ravi Goenka and Harshvardhan Goenka towards the Purchase

Consideration from its internal accruals, on December 9, 2020, and (ii) balance payment of the Purchase Consideration on or before December 31, 2021 ("**Closing Date**").

The YCPL Acquisition is subject to satisfactions of certain conditions precedent, including, inter alia, (i) YCPL producing minimum 2,500 MT of the products (ethyl acetate and acetaldehyde) on a month-to-month basis or 30,000 MT annualized; (ii) receipt of consent of all lenders of YCPL/AHPL; and (iii) YCPL ensuring that at least 25% of its total annual sale sales are through the exports between the date of the AHPL SPA and the Closing Date ("**Interim Period**"). Further, during the Interim Period, YCPL and AHPL are restricted from taking certain actions, including changes in capital structure, sale or transfer of material assets, changes to agreements material to their business, during the Interim Period.

The Sellers have agreed that during the Interim Period, they shall not, and they shall ensure that YCPL does not, undertake any business competing with or solicit any business similar to the business of our Company, except on behalf of our Company.

Our Company shall have the right to terminate the AHPL SPA in the event the conditions precedent are not satisfied prior to December 31, 2021 or; upon any breach of the AHPL SPA in any material respect by the Sellers or upon the YCPL Acquisition becoming illegal. In the event the AHPL SPA is terminated by our Company, the Sellers shall refund the advance Purchase Consideration along with interest at the rate of 12% per annum (to be paid from the Execution Date till the date of repayment), within five (5) calendar days from the date of termination of the AHPL SPA.

Significant financial and/or strategic partners

Our Company does not have any significant financial and/or strategic partners as of the date of filing this Prospectus.

Guarantees given by the Promoter Selling Shareholder

The Promoter Selling Shareholder has not issued any guarantee in connection with the financing facilities availed by our Company.

OUR SUBSIDIARIES AND ASSOCIATE

Our Company has eight direct Subsidiaries and one step-down Subsidiary, as on the date of this Prospectus.

Direct Subsidiaries

(i) Laxmi Organic Industries (Europe) B.V.;
(ii) Viva Lifesciences Private Limited;
(iii) Laxmi Petrochem Middle East FZE;
(iv) Laxmi Lifesciences Private Limited;
(v) Cellbion Lifesciences Private Limited;
(vi) Laxmi Speciality Chemicals (Shanghai) Co. Ltd.;
(vii) Yellowstone Speciality Chemicals Private Limited; and
(viii) Yellowstone Fine Chemicals Private Limited;

Step-down Subsidiaries (pursuant to Ind AS 110)

(i) Saideep Traders

Set out below are details of our Subsidiaries.

Associate

(i) Cleanwin Energy One LLP

Direct Subsidiaries

1. ***Laxmi Organic Industries (Europe) B.V. ("Laxmi Netherlands")***

Corporate Information

Laxmi Netherlands was incorporated as a private company with limited liability on May 24, 2012 under Dutch law. Its CCI (Chamber of Commerce) number is 55271286, and its establishment number is 000024941689. Its corporate seat is situated in Voorburg, Netherlands and the principal place of business is Schipholweg 55, (2316 ZL) Leiden, the Netherlands.

Nature of Business

Laxmi Netherlands is engaged in purchase/sales of chemical products, providing market analysis and logistical services.

Capital Structure

Below is the capital structure of Laxmi Netherlands:

Particulars	No. of common shares of face value of € 100 each
Authorised share capital	180
Issued, subscribed and paid-up share capital	180

Particulars	No. of cumulative preference share of face value of € 2,000,000 each
Authorised share capital	1
Issued, subscribed and paid-up share capital	1

Shareholding Pattern

The shareholding pattern of Laxmi Netherlands as on the date of this Prospectus is as follows:

S. No.	Name of the shareholder	Number of common shares (of € 100 each) held	Percentage of total common shares (%)	Number of cumulative preference shares (of € 2,000,000 each) held	Percentage of total cumulative preference shares (%)
	Our Company	180	100.00	1	100.00
Total		**180**	**100.00**	**1**	**100.00**

2. ***Viva Lifesciences Private Limited ("VLPL")***

Corporate Information

VLPL was incorporated as a private limited company in Mumbai, Maharashtra on July 4, 2013 under the Companies Act, 1956. Its CIN is U24100MH2013PTC245226 and its registered office is situated at 3rd floor, Chandermukhi building, Nariman Point, Mumbai – 400 021, Maharashtra. VLPL acquired assets of Miteni to the tune of € 4.63 million in 2019, through an auction sale. Our Subsidiary, YFCPL has issued a purchase order to VLPL for the purchase of the Miteni Assets (including estimated dismantling charges, ocean freight, insurance and other incidental costs), for an aggregate estimated consideration of approx. €8.87 million (approx. ₹ 763.30 million*), which is proposed to be completed through a high-seas sale. Further, VLPL, through its letter dated December 9, 2020, has undertaken to execute necessary documentation for the transfer of the patents, REACH registration and other intangible assets acquired from Miteni to YFCPL, within 45 days of such sale of the plant and equipment.

**Conversion rate considered €1 = ₹ 86.00 (based on prevailing foreign exchange rates at the time of issuing the purchase order.*

Nature of Business

VLPL is currently non-operational.

Capital Structure

Particulars	No. of equity shares of face value of ₹10 each
Authorised share capital	10,000,000
Issued, subscribed and paid-up share capital	10,000

Shareholding Pattern

The shareholding pattern of VLPL as on the date of this Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares (of ₹10 each) held	Percentage of total capital (%)
1.	Our Company	9,999	99.99
2.	Ravi Goenka*	1	0.01
Total		**10,000**	**100.00**

**as a nominee of our Company*

3. ***Laxmi Petrochem Middle East FZE ("Laxmi FZE")***

Corporate Information

Laxmi FZE was incorporated as a free zone company with limited liability on December 16, 2012 pursuant to the Emriri Decree No. (6) of 1995 of H.H Sheikh Dr. Sultan Bin Mohammed Al-Qasimi Rules of Sharjah, the Emirate of Sharjah Executive Council Resolution No. (1) of 2000 and the implementing rules and regulations issued by the Hamriyah Free Zone Authority, under the laws of the United Arab Emirates. Its registered office is situated in the Hamriyah Free Zone at E-58G-12.

Nature of Business

It is currently engaged in the business of general trading.

Capital Structure

Particulars	No. of equity shares of face value of AED 1,000 each
Authorised share capital	34
Issued, subscribed and paid-up share capital	34

Shareholding Pattern

The shareholding pattern of Laxmi FZE as on the date of this Prospectus is as follows:

Name of the share holder	Number of equity shares (of AED 1,000) held	Percentage of total capital (%)
Our Company	34	100.00
Total	**34**	**100.00**

4. ***Laxmi Lifesciences Private Limited ("Laxmi Lifesciences")***

Corporate Information

Laxmi Lifesciences was incorporated as a private limited company in Mumbai, Maharashtra on July 4, 2013 under the Companies Act, 1956. Its CIN is U24233MH2013PTC245224 and its registered office is situated at 3rd floor, Chandermukhi building, Nariman Point, Mumbai – 400 021, Maharashtra.

Nature of Business

Laxmi Lifesciences is currently non-operational.

Capital Structure

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised share capital	10,000
Issued, subscribed and paid-up share capital	10,000

Shareholding Pattern

The shareholding pattern of Laxmi Lifesciences as on the date of this Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	Our Company	9,999	99.99
2.	Ravi Goenka*	1	0.01
Total		**10,000**	**100.00**

**as a nominee of our Company*

5. ***Cellbion Lifesciences Private Limited ("Cellbion")***

Corporate Information

Cellbion was incorporated as a private limited company in Mumbai, Maharashtra on April 17, 2007 under the Companies Act, 1956. Its CIN is U24233MH2007PTC170041 and its registered office is situated at Chandermukhi basement, Nariman Point, Mumbai- 400 021, Maharashtra.

Nature of Business

Cellbion is currently non-operational.

Capital Structure

Particulars	No. of equity shares of face value of ₹10 each
Authorised share capital	50,000
Issued, subscribed and paid-up share capital	10,000

Shareholding Pattern

The shareholding pattern of Cellbion as on the date of this Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares (of ₹10 each) held	Percentage of total capital (%)
1.	Our Company	9,998	99.98
2.	Ravi Goenka*	1	0.01
3.	Rajeev Goenka*	1	0.01
Total		**10,000**	**100.00**

**as a nominee of our Company*

6. ***Laxmi Speciality Chemicals (Shanghai) Co. Ltd. ("Laxmi Shanghai")***

Corporate Information

Laxmi Shanghai was incorporated as a limited company in Shanghai on September 5, 2019 under the laws of People's Republic of China. Its license number is 05000002201909050009 and its registered office is situated at room 215-27, building 2, no. 269 Tongxie road, Changning district, Shanghai.

Nature of Business

Laxmi Shanghai is currently engaged in the trading of chemical materials and products.

Capital Structure

Particulars	Value of the registered capital in RMB
Registered capital	300,000
Issued, subscribed and paid-up share capital	300,000

Shareholding Pattern

The shareholding pattern of Laxmi Shanghai as on the date of this Prospectus is as follows:

S. No.	Name of the registered capital holder	Value of registered capital in RMB	Percentage of total capital (%)
1.	Our Company	300,000	100.00
Total		**300,000**	**100.00**

7. ***Yellowstone Speciality Chemicals Private Limited ("Yellowstone Speciality")***

Corporate Information

Yellowstone Speciality was incorporated as a private company limited by shares in Mumbai, Maharashtra on April 24, 2020 under the Companies Act, 2013. Its CIN is U24100MH2020PTC339546 and its registered office is situated at 3rd floor, plot no. 316, Chandermukhi building, Barrister Rajni Patel Marg, Nariman Point, Mumbai – 400 021, Maharashtra.

Nature of Business

Yellowstone Speciality is currently non-operational.

Capital Structure

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised share capital	100,000
Issued, subscribed and paid-up share capital	100,000

Shareholding Pattern

The shareholding pattern of Yellowstone Speciality as on date of this Prospectus is as follows:

S. No.	Name of the share holder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1	Our Company	99,999	99.99
2	Harshvardhan Goenka*	1	0.01
Total		**100,000**	**100.00**

**as a nominee of our Company*

8. ***Yellowstone Fine Chemicals Private Limited ("YFCPL")***

Corporate Information

YFCPL was incorporated as a private company limited by shares on March 3, 2020 in Mumbai, Maharashtra under the Companies Act 2013. Its CIN is U24299MH2020PTC338508 and its registered office is situated at 3rd floor, plot no. 316, Chandramukhi building, Barrister Rajni Patel Marg, Nariman Point, Mumbai – 400 021, Maharashtra.

Nature of Business

YFCPL is currently non-operational. However, YFCPL is in the process of setting up a manufacturing facility for our fluorospecialty chemicals business. For further details, please see "*History and Certain Corporate Matters*", "*Objects of the Offer*" and "*Our Business*" on pages 187, 100 and 164.

Capital Structure

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised share capital	100,000
Issued, subscribed and paid-up share capital	100,000

Shareholding Pattern

The shareholding pattern of YFCPL as on the date of this Prospectus is as follows:

S. No.	Name of the share holder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1	Our Company	99,999	99.99
2	Harshvardhan Goenka*	1	0.01
Total		**100,000**	**100.00**

**as a nominee of our Company*

Step-down Subsidiaries (pursuant to Ind AS 110)

1. ***Saideep Traders***

Corporate Information

Saideep *Traders* is an unregistered partnership firm formed under the Indian Partnership Act, 1932 pursuant to the partnership deed dated September 18, 2012 entered between Cellbion and Pushpalata Ashok Kumbhar on her behalf and on behalf of her minor sons, Kaushal Ashok Kumbhar and Dakshal Ashok Kumbhar.

Its office is currently situated at C/o The Quality Iron & Steel Works Private Limited, 413/1, Gadmudshingi, Gandhinagar Road, M.B. Lohia Industrial Estate, Kolhapur – 416 119, Maharashtra.

Nature of Business

Saideep Traders is engaged in the business of running a distillery.

Profit/loss sharing ratio

The profit/loss sharing ratio between the partners of Saideep Traders is as follows:

Sr. No.	Particulars	Profit Share (in %)	Loss share (in %)
1.	Pushpalata Kumbhar	3.00	*Nil*
2.	Pushpalata Kumbhar on behalf of minor son, Kaushal Kumbhar	1.00	*Nil*
3.	Pushpalata Kumbhar on behalf of minor son, Dakshal Kumbhar	1.00	*Nil*
4.	Cellbion	95.00	100
	Total	**100.00**	**100.00**

Associate

1. Cleanwin Energy One LLP ("Cleanwin")

Corporate Information

Cleanwin was incorporated as a limited liability partnership in Mumbai, on July 18, 2020 under the Limited Liability Partnership Act, 2008. Its LLPIN is AAS-9346 and its registered office is located at 1, Floor-G, plot no. 69, Shirin Manzil, Nathalal Parikh Marg, Colaba, Mumbai- 400 005.

Nature of Business

Cleanwin is engaged in the business of generating electric power by operating wind energy generation plants located in certain locations. Our Company has on January 25, 2021 entered into a power purchase agreement with Cleanwin pursuant to which Cleanwin is required to sell at least 51% of the power generated from the wind energy generation plants to our Company in terms of the power purchase agreement.

Profit/loss sharing ratio

The profit/loss sharing ratio between the partners of Cleanwin is as follows:

Sr. No.	Particulars	Profit Share (in %)
1.	Harshvardhan Goenka	Nil
2.	Manisha Goenka	Nil
3.	Yellowstone Clean Energy LLP	100.00
4.	Our Company	Nil
	Total	**100.00**

Capital Contribution

The capital contribution of Cleanwin as on the date of this Prospectus is as follows:

Sr. No.	Name	Amount (₹)	Capital contribution (in %)
1.	Mr. Harshvardhan Goenka	50,000	0.10
2.	Ms. Manisha Goenka	50,000	0.10
3.	Yellowstone Clean Energy LLP	35,400,000	73.75

Sr. No.	Name	Amount (₹)	Capital contribution (in %)
4.	Our Company	12,500,000	26.05
	Total	**48,000,000**	**100.00**

Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company.

Interest in our Company

Except as provided in "*Our Business*" and "*Restated Consolidated Financial Statements – Annexure 1 - Related Party Disclosures*", beginning on pages 164 and 289, respectively, none of our Subsidiaries have any business interest in our Company. Further, our Associate, Cleanwin is interested in our Company to the extent of the power purchase agreement dated January 25, 2021 entered into between our Company and Cleanwin, as described above.

Common pursuits

Our Subsidiaries are in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst our Subsidiaries and our Company. However, there is no conflict of interest amongst our Subsidiaries and our Company. If required, our Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

Other confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of filing this Prospectus, we have eight Directors on our Board, of whom four are Independent Directors including one Independent woman Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Pursuant to a resolution dated November 25, 2020, Vasudeo Goenka has been appointed as the Chairman Emeritus for life to perform such roles and functions as set out in Article 143 of the AoA. For more details, please see "*Main Provisions of the Articles of Association*" on page 382.

The following table sets forth the details of our Board as of the date of this Prospectus :

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Ravi Goenka *Designation*: Chairman and Managing Director *Date of birth*: February 11, 1962 *Address*: 221-C, Grand Paradi Apartments, A.K. Marg, Kemps Corner, Mumbai - 400 036, Maharashtra *Occupation*: Business *Current term*: For a period of five years, with effect from September 1, 2019 till August 31, 2024, liable to retire by rotation. *Period of directorship*: Since incorporation *DIN*: 00059267	59	*Indian companies* ▪ Amrut Sagar Constructions Private Limited; ▪ Anugrah Investments Limited; ▪ Aqua Mischief Private Limited; ▪ Crescent Oils Private Limited; ▪ International Knowledge Park Private Limited; ▪ Laxmi Bioenergie Limited; ▪ Maharashtra Aldehydes and Chemicals Limited; ▪ Sherry Securities Private Limited; ▪ Unity Paper Private Limited; ▪ Indian Chemical Council; and ▪ Yellowstone Oil & Gas Private Limited. *Foreign companies* ▪ Laxmi Organic Industries (Europe) B.V.; and ▪ Laxmi Speciality Chemicals (Shanghai) Co. Ltd.
Satej Nabar *Designation*: Executive Director and Chief Executive Officer *Date of birth*: December 16, 1963 *Address*: A/171, Kalpataru Sparkle, Bandra East, Mumbai - 400 051, Maharashtra *Occupation*: Business	57	*Indian companies* Nil *Foreign companies* Nil

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Current term: For a period of five years, with effect from April 1, 2020 till March 31, 2025, liable to retire by rotation. *Period of directorship*: Since April 1, 2020 *DIN*: 06931190		
Harshvardhan Goenka *Designation*: Executive Director - Business development and Strategy *Date of birth*: April 30, 1989 *Address*: 221/C, Grand Paradi Apartments, A. K. Marg, Kemps Corner, Mumbai – 400 036, Maharashtra *Occupation*: Business *Current* term: For a period of five years, with effect from November 1, 2020, liable to retire by rotation. *Period of directorship*: Since November 1, 2020 *DIN*: 08239696	31	*Indian companies* ▪ Acetyls Holding Private Limited; ▪ Viva Lifesciences Private Limited; ▪ Yellowstone Chemicals Private Limited; ▪ Yellowstone Fine Chemicals Private Limited; ▪ Yellowstone Oil & Gas Private Limited; and ▪ Yellowstone Speciality Chemicals Private Limited *Foreign companies* Laxmi Speciality Chemicals (Shanghai) Co. Ltd.
Rajeev Goenka *Designation*: Non-Executive Director *Date of birth*: August 4, 1967 *Address*: 241-C, Grand Paradi Apartments, August Kranti Marg, Kemps Corner, Mumbai - 400 036, Maharashtra *Occupation*: Business *Current* term: With effect from September 5, 2019, liable to retire by rotation *Period of directorship*: Since August 12, 1994 *DIN*: 00059346	53	*Indian companies* ▪ Alphakids Learning Centres Private Limited; ▪ Alumi Profiles Private Limited; ▪ Amrutsagar Constructions Private Limited; ▪ Anugrah Investments Limited; ▪ Aqua Mischief Private Limited; ▪ Brady Investments Private Limited; ▪ International Knowledge Park Private Limited; ▪ Krishna Meadows Private Limited; ▪ Laxmi Bioenergie Limited; ▪ Laxmi Capital Services Private Limited; ▪ Laxmi Tank Terminal Private Limited; ▪ Maharashtra Aldehydes and Chemicals Limited; ▪ Merton Finance and Trading Private Limited ▪ Ojas Dycehem (India) Private Limited; ▪ Sherry Securities Private Limited; ▪ Starsilver Mercantile Company Private Limited; ▪ Suvas Holdings Limited; and ▪ Unity Portfolio Private Limited. *Foreign companies*

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
		Nil
Manish Chokhani *Designation*: Independent Director *Date of birth*: October 14, 1966 *Address*: 161, Silver Arch, 66, L Jagmohandas Marg, Mumbai - 400 006, Maharashtra *Occupation*: Business *Current* term: For a period of five years, with effect from September 5, 2019 up to the conclusion of the 35th annual general meeting in the financial year 2024-25, not liable to retire by rotation *Period of directorship*: Since March 30, 2012 *DIN*: 00204011	54	*Indian companies* ▪ Auxilo Finserve Private Limited; ▪ Parksons Packaging Limited; ▪ Quadrillion Capital Private Limited; ▪ Sears Securities and Investments Private Limited; ▪ Shoppers Stop Limited; ▪ Westlife Development Limited; and ▪ Zee Entertainment Enterprises Limited. *Foreign companies* Livinguard A.G.
O.V. Bundellu *Designation*: Independent Director *Date of birth*: January 15, 1950 *Address*: Building. no. 16, Flat No. 61, Ashiyana CHS, Next to Infinity Mall off New Link Road, Oshiwara, Mumbai - 400 102, Maharashtra *Occupation*: Retired *Current* term: For a period of five years, from September 5, 2019 up to the conclusion of the 35th annual general meeting in the financial year 2024-25, not liable to retire by rotation *Period of directorship*: Since February 21, 2011 *DIN*: 00032950	71	*Indian companies* Nil *Foreign companies* Nil
Sangeeta Singh *Designation*: Independent Director *Date of birth*: December 10, 1959 *Address*: 9-A, Harbour Heights, A-Building, N. A. Sawant Marg, Colaba, Mumbai - 400 005, Maharashtra *Occupation*: Consultant *Current* term: For a period of five years, with effect from September 29, 2017 up to the conclusion of the 33rd annual general meeting, not liable to retire by rotation *Period of directorship*: Since September 4, 2017	61	*Indian companies* ▪ Accelya Solutions India Limited; ▪ Alkem Laboratories Limited; ▪ Crystal Crop Protection Limited; ▪ Keva Fragrances Private Limited; and ▪ SH Kelkar and Company Limited *Foreign companies* Nil

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
DIN: 06920906		
Dr. Rajeev Vaidya *Designation*: Independent Director *Date of birth*: January 4, 1958 *Address*: 121- Delpa Drive, Landenberg, PA-19350, United States of America *Occupation*: Retired consultant *Current* term: For a period of five years with effect from November 25, 2020, not liable to retire by rotation *Period of directorship*: Since November 25, 2020 *DIN*: 05208166	63	*Indian companies* Nil *Foreign companies* Nil

Brief profiles of our Directors

Ravi Goenka, aged 59 years, is the Chairman and Managing Director of our Company. He holds a bachelors' degree in chemical engineering from Bangalore University. He has been associated with our Company since inception, and has approximately 30 years of experience in the chemicals and paper industries, 16 years of experience in the education industry, and 21 years in the power industry. He is a director on the board of International Knowledge Park Private Limited which established Ecole Mondiale World School and Russell Square International College. He was also the ex-trustee of Mumbai Port Trust and Jawaharlal Nehru Port Trust, and is presently, the president of the executive committee of the Indian Chemical Council for the period from 2020 to 2022.

Satej Nabar, aged 57 years, is an Executive Director and Chief Executive Officer of our Company. He holds a bachelors' degree in mechanical engineering from the University of Bombay, a masters' degree in plastic engineering from the University of Bombay, and is a chartered engineer registered with the Institution of Engineers (India). He has been associated with our Company since April 1, 2020 and has around 31 years of experience in the chemicals industry and has handled numerous functions including, sales and marketing, corporate strategy, innovation and manufacturing. Prior to joining the Company, he was associated with Atul Limited as president – polymers business; Styrolution ABS (India) Limited as head – sales and marketing; BASF South East Asia Pte Limited as manager- Asia Pacific, Styrolux Market/Business Development; Reliance Industries Limited as deputy general manager- technical (PE), Bhor Industries Limited as unit manager of a plant in Satara; Caprihans India Limited as a project engineer; Garware-Wall Ropes Limited as the executive in the new-projects department ; and Kabra Extrusiontechnik Ltd. of Kolsite Group of Industries as engineer, design.

Harshvardhan Goenka, aged 31 years, is an Executive Director – Business development and Strategy of our Company. He holds a bachelors' degree in science from Babson College, School of Business, Boston USA. He has nine years of experience in the chemicals industry. He has been associated with our Company since September 15, 2011 and heads the business development initiatives of our Company.

Rajeev Goenka, aged 53 years, is a Non-Executive Director of our Company. He holds a masters' degree in business administration from Lehigh University. He has been associated with our Company since August 12, 1994 and has approximately 26 years of experience in the chemicals industry, 21 years of experience in the renewable energy, and 17 years of experience in the field of education. He was the vice president-business development of Maharashtra Aldehydes and Chemicals Limited from 1991 to 1994, and currently serves as a member on the board of directors of Maharashtra Aldehydes and Chemicals Limited. He is the founding member of, and a director on the board of directors of International Knowledge Park Private Limited which established Ecole Mondiale World School and Russel Square International College. He is also a trustee of the Laxmidevi Nathmal Goenka Charitable

Trust.

Manish Chokhani, aged 54 years, is an Independent Director of our Company. He holds a masters' degree in business administration from London Business School, University of London. He is an associate of the Institute of Chartered Accountants of India and has been admitted as a fellow of the All India Management Association. He has been associated with our Company since March 30, 2012 and has 13 years of experience in the securities market. Prior to joining the Company, he was the director of Enam Securities Private Limited from 2006 to 2019. He served as the managing director and chief executive officer of Axis Capital Limited from 2012 to 2013. He served as chairman of TPG Growth India during 2015-2016, and as senior advisor to TPG Growth during 2013 to 2019. He currently holds the position of independent director on the boards of various companies including Zee Entertainment Enterprises Limited, Westlife Development Limited, Shoppers Stop Limited, Auxilo Finserve Private Limited and Parksons Packaging Limited. He also serves on the governing board of Flame University. He is also a director on the board of directors of Livinguard AG, a healthcare technology company based in Switzerland. He is a member of the Young Presidents' Organization. He has also served as a member of SEBI's Alternative Investment Policy Advisory Committee.

O.V. Bundellu, aged 71 years, is an Independent Director of our Company. He holds a master's degree in science (other than mathematics and statistics), and a master's degree in financial management from the University of Bombay. He has participated in the "Middle Management Course of the 3-Tier Programme for Management Development" conducted by the Indian Institute of Management, Ahmedabad, and has completed the 152nd session of the "Advanced Management Program, the "International Senior Managers Program" conducted by the Harvard University Graduate School of Business Administration, and part I of the associate examination conducted by the Indian Institute of Bankers. He has been associated with our Company since February 21, 2011 and has approximately 37 years of experience in the banking industry. Prior to joining the Company, he was associated with Indian Bank as manager, and with IDBI Bank Limited as whole-time director (designated as deputy managing director).

Sangeeta Singh, aged 61 years, is an Independent Director of our Company. She holds a bachelors' degree in arts from Wilson College, University of Bombay. She has successfully completed the "Strategic Human Resource Management" programme by the Harvard Business School. She has been associated with our Company since September 4, 2017.Prior to joining the Company, she was associated with KPMG as an executive director, heading human resources in India.

Dr. Rajeev Vaidya, aged 63 years, holds a bachelors' degree of technology in chemical engineering from Indian Institute of Technology, Mumbai, and a doctorate degree from The University of Southern Mississippi. He has approximately 30 years of experience in the chemicals industry and around four years of experience in investment advisory services. He is presently associated with Alpha Investments and Services LLC as a its initial member. In the past, he has been associated with Dupont Specialty Products USA, LLC and has held varied capacities within the Dupont business divisions and companies, ranging from research engineer to global president for the DuPont Building Innovations business.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Except Ravi Goenka and Rajeev Goenka who are brothers and Harshvardhan Goenka who is the son of Ravi Goenka, none of our other Directors are related to each another.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters as defined under the SEBI ICDR Regulations.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of appointment of our Executive Directors:

1. Ravi Goenka

Ravi Goenka was re-appointed as the Managing Director of our Company pursuant to a resolution passed by the Board of Directors at their meeting held on May 28, 2019, and a resolution passed by our Shareholders at their extraordinary general meeting held on June 22, 2019 for period of five years with effect from September 1, 2019. Further, he was appointed as the Chairman of our Board pursuant to a resolution dated November 25, 2020 and thereby designating him as the Chairman and Managing Director. The remuneration was further revised for Fiscal 2021 through a resolution of board dated October 30, 2020 and of the shareholders dated November 24, 2020. The following are the terms governing Ravi Goenka's appointment:

Sr. No.	Category	Remuneration
1.	Annual remuneration (basic pay)	₹46.00 million per annum
2.	Perquisites and allowances	Rent free accommodation for a fully furnished house, leave travel allowance for expenses actually incurred for two trips in a block of four years for Ravi Goenka and family members, contribution to provident fund and gratuity
3.	Reimbursement of expenses (at actuals)	Expenses incurred by Ravi Goenka as hospitalisation charges and medical expenses incurred in India for him and his family members in any hospital, expenses incurred on gas, electricity, water, furnishings and telephone not exceeding ₹2.50 million per annum, club fees and entertainment expenses on an actual basis.
4.	Commission	Any commission not exceeding 1% of the net profits (computed under Section 198 of the Companies Act) of the Fiscal 2021.

2. Satej Nabar

Satej Nabar was appointed as an Executive Director and the Chief Executive Officer of our Company, pursuant to a resolution passed by the Board of Directors at their meeting held on May 13, 2020 and a resolution passed by our Shareholders at their extraordinary general meeting held on June 15, 2020 for a period of five years with effect from April 1, 2020 till March 31, 2025. The following table sets forth the terms of appointment of Satej Nabar as approved by our Shareholders at their EGM held on June 15, 2020:

Sr. No.	Category	Remuneration
1.	Salary (basic pay)	₹8.22 million per annum
2.	Variable pay linked to profits of our Company (per annum)	Performance based variable pay of ₹5 million, which will be determined at the end of the year, dependent on the Company's policy
3.	Perquisites and allowances of expenses (at actuals)	House rent allowance (₹ 4.11 million), canteen allowance, education allowance, petrol reimbursement, other allowances and leave travel allowance cumulatively up to ₹ 9.28 million. Additionally, Satej Nabar is entitled to leave encashment as per the Company's policy, contribution

Sr. No.	Category	Remuneration
		to provident fund to the tune of ₹ 0.98 million, and a one-time joining bonus of ₹ 2.80 million.*

**Pursuant to a resolution of the Nomination and Remuneration Committee dated January 27, 2021, Satej Nabar was granted 1,093,098 options pursuant to ESOP-2020.*

3. Harshvardhan Goenka

Harshvardhan Goenka was appointed as Executive Director - Business development and Strategy of our Company, pursuant to a resolution passed by the Board at its meeting held on October 30, 2020 and a resolution passed by our Shareholders at the AGM held on November 24, 2020 for a period of five years with effect from November 1, 2020 till October 31, 2025. The following table sets forth the terms of appointment of Harshvardhan Goenka as approved by our Shareholders held on November 24, 2020:

Sr. No.	Category	Remuneration
1.	Salary (basic pay)	₹5.83 million per annum
2.	Variable pay linked to profits of our Company (per annum)	Performance based variable pay of ₹3.33 million, which will be determined at the end of the year, dependent on the Company's policy
3.	Perquisites and allowances of expenses (at actuals)	House rent allowance (₹2.92 million), canteen allowance, education allowance, fuel reimbursement, other allowances, gratuity and leave travel allowance cumulatively up to ₹10.83 million. Additionally, Harshvardhan Goenka is entitled to ₹ 0.70 million by way of contribution to the provident fund.

Terms of appointment of our non-Executive non-Independent Directors

Pursuant to the Board resolution dated November 25, 2020, our non-Executive non-Independent Director is entitled to receive sitting fees of ₹ 50,000 per meeting for attending meetings of the Board, and ₹ 25,000 per meeting for attending meeting of the committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. Further, pursuant to the shareholders' resolution dated September 24, 2014, our non-Executive non-Independent Director is entitled to receive commission not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof.

Terms of appointment of our Independent Directors:

Pursuant to the Board resolution dated November 25, 2020 each Independent Director is entitled to receive sitting fees of ₹ 50,000 per meeting for attending meetings of the Board, and ₹ 25,000 for attending meetings of committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. Further, the Directors who are residing in countries other than India are entitled to incidental fees of ₹ 200,000 per meeting plus travel expenses at actuals. Further, pursuant to the shareholders' resolution dated September 24, 2014, Independent Director is entitled to receive commission not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof.

Payments or benefits to Directors

Our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Prospectus.

In Fiscal 2020, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2020 is as follows:

1. **Executive Directors**

The details of the remuneration paid to our Executive Directors in Fiscal 2020 is as set out below:

(₹ in million)

Name of Director	Current Designation	Remuneration
Ravi Goenka	Chairman and Managing Director	41.45
Satej Nabar	Executive Director and Chief Executive Officer	Not applicable(1)
Harshvardhan Goenka	Executive Director - Business development and Strategy	Not applicable(2)

(1) Satej Nabar was appointed on the Board of Directors in Fiscal 2021.

(2) Harshvardhan Goenka received remuneration of ₹ 6.66 million as senior vice president- business development in Fiscal 2020. He was appointed on the Board of Directors in Fiscal 2021.

2. **Non-Executive non-Independent Directors**

The details of sitting fees and commission paid to our Non-Executive non-Independent Directors during Fiscal 2020 are as follows:

S. No.	Name of Director	Sitting fees paid (in ₹ million)	Commission paid (in ₹ million)
1.	Mr. Vasudeo Goenka	0.18	Nil(1)
2.	Mr. Rajeev Goenka	0.12	Nil
3.	Mr. Desh Verma	0.15	0.60(1)

(1) Vasudeo Goenka and Desh Verma resigned from the Board of Directors in Fiscal 2021.

3. **Independent Directors**

The details of sitting fees and commission paid to our Independent Directors during Fiscal 2020 are as follows:

S. No.	Name of Director	Sitting fees paid (in ₹ million)	Commission paid (in ₹ million)
1.	Manish Chokhani	0.32	1.50
2.	O.V. Bundellu	0.34	1.50
3.	Sangeeta Singh	0.17	2.13
4.	Dr. Rajeev Vaidya(1)	Nil	Nil

(1)Dr. Rajeev Vaidya was appointed on the Board of Directors in Fiscal 2021.

Remuneration paid by our Subsidiaries

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries in Fiscal 2020.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Prospectus:

Sr. No.	Name of the Director	Number of Equity Shares held
1.	Ravi Goenka	156,375
2.	Rajeev Goenka	481,375
3.	Harshvardhan Goenka	125
4.	O. V. Bundellu*	56,310
5.	Manish Chokhani	225,230

**jointly with Sunita O. Bundellu*

Borrowing Powers

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their AGM held on September 24, 2018, our Board has been authorized to borrow any sum or sums of monies (including by way of advances, loans, issue of debentures or bonds and/or other instruments), notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), will or may exceed our Company's aggregate paid-up share capital, free reserves and securities premium, provided that the total amount of money so borrowed by the Board shall not at any time together with interest payable exceed a sum of ₹ 6,000 million.

Bonus or profit-sharing plan for our Directors

Except as mentioned above, our Company does not have any performance linked bonus or a profit sharing plan for our Directors.

Further, our Directors (other than our Independent Directors) have also been granted ESOPs under the ESOP-2020 of the Company. For details on the ESOP-2020 please see "*Capital Structure – Laxmi - Employee Stock Option Plan -2020 (Active employee stock option scheme)*" on page 89.

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them, and commission as approved by our Board. Further, our Independent Directors may also be regarded as interested to the extent of their shareholding in the Company.

Our Executive Directors may be deemed to be interested to the extent of the remuneration payable to each of them by our Company as Directors of our Company and any variable pay linked to profits earned by the Company, payable to them.

Ravi Goenka and Harshvardhan Goenka may also be deemed to be interested to the extent of the consideration receivable by them pursuant to YCPL Acquisition. For more details, please see "*History and Certain Corporate Matters*" on page 187.

Ravi Goenka, Rajeev Goenka and Harshvardhan Goenka may also be interested to the extent of their shareholding in our Company, and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

Except as stated in "*Restated Consolidated Financial Statements- Annexure 1- Related Party Disclosures*" on page 289, "*Our Subsidiaries and Associate- Associate*" on page 197, and the YCPL Acquisition, none of our Directors may be deemed to be interested in the contracts transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Interest of Directors in the promotion or formation of our Company

Other than Ravi Goenka, none of our Directors have any interest in the promotion or formation of our Company. Further, Rajeev Goenka and Harshvardhan Goenka are members of the Promoter Group of our Company.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Further, other than in the ordinary course of business and as disclosed in "*Restated Consolidated Financial Statements- Annexure 1 - Related Party Disclosures*" at page 289, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Prospectus.

Changes to our Board in the last three years

Name	Date of appointment/ change in designation/ cessation	Reason
Vasudeo Goenka	November 25, 2020	Resignation as Chairman and Non-Executive Director
Desh Verma	November 25, 2020	Resignation as Non-Executive Director
Ravi Goenka	November 25, 2020	Appointment as Chairman and designated as Chairman and Managing Director
Dr. Rajeev Vaidya	November 25, 2020	Appointment as Independent Director
Harshvardhan Goenka	November 1, 2020	Appointment as Executive Director - Business development and Strategy
Satej Nabar	April 1, 2020	Appointment as Executive Director and Chief Executive Officer
Radhesh Welling	November 15, 2018	Resignation as Whole-time Director and Chief Executive Officer and Executive Director

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Prospectus, we have eight Directors on our Board, of whom four are Independent Directors including one Independent woman Director.

Committees of our Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. Audit Committee

The Audit committee was last re-constituted by a resolution of our Board dated November 25, 2020. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
O.V. Bundellu	Chairperson	Independent Director
Sangeeta Singh	Member	Independent Director
Ravi Goenka	Member	Chairman and Managing Director

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The roles and responsibilities of the Audit Committee include the following:

(i) The Audit Committee shall have powers, which should include the following:

(a) investigate any activity within its terms of reference;
(b) seek any information that it properly requires from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
(c) call any director or other employee to be present at a meeting of the Committee as and when required.
(d) secure attendance of outsiders with relevant expertise, if it considers necessary; and

(e) perform such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
ii. Changes, if any, in accounting policies and practices and reasons for the same;
iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
iv. Significant adjustments made in the financial statements arising out of audit findings;
v. Compliance with listing and other legal requirements relating to financial statements;
vi. Disclosure of any related party transactions; and Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Valuation of undertakings or assets of the company, wherever it is necessary;

(m) Evaluation of internal financial controls and risk management systems;

(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(p) Discussion with internal auditors of any significant findings and follow up there on;

(q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(u) Reviewing the functioning of the whistle blower mechanism;

(v) Approval of the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

(w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

(x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(y) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances; and

(z) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and.

(aa) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(bb) The Audit Committee shall mandatorily review the following information:

i. Management discussion and analysis of financial condition and results of operations;
ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
iii. Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
iv. Internal audit reports relating to internal control weaknesses;
v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
vi. Statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
    - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

- review the financial statements, in particular, the investments made by any unlisted subsidiary.

(cc) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

(dd) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

2. Nomination and Remuneration Committee ("NR Committee")

The NR Committee was last re-constituted by a resolution of our Board dated November 25, 2020. The current constitution of the NR Committee is as follows:

Name of Director	Position in the Committee	Designation
Sangeeta Singh	Chairperson	Independent Director
Manish Chokhani	Member	Independent Director
Dr. Rajeev Vaidya	Member	Independent Director

The scope and function of the NR Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) To be responsible for identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;

(b) To 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 of the directors, key managerial personnel and other employees;

The NR Committee, while formulating the above policy, should ensure that:
(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(c) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

(d) To devise a policy on diversity of board of directors;

(e) To review regularly the Board structure, size, composition and make recommendations to the Board of adjustments that are deemed necessary, in order to ensure an adequate size and a well-balanced composition of the Board and further to make determinations regarding independence of members of the Board;

(f) To consider succession and emergency planning, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed on the Board, reporting to the Board regularly;

(g) To keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place;

(h) To formulate criteria for evaluation of performance of independent directors and the board of directors;

(i) To decide on whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

(j) To analyse, monitor and review various human resource and compensation matters;

(k) Annual performance evaluation of the Chairman of the Company and all Directors including Managing and other Executive Director with respect to their roles as Directors;

(l) To ensure that on appointment to the Board, Non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;

(m) To recommend to the Board whether to reappoint a Director/Independent Director at the end of their term of office;

(n) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provision of the law and their service contract;

(o) To identify and recommend Directors who are to be put forward for retirement by rotation;

(p) Before appointment is made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;

(q) To ensure the development of guidelines for selecting candidates for election or re-election to the Board, or to fill vacancies on the Board;

(r) To consider any other matters as may be requested by the Board;

(s) To frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, by the Company and its employees, as applicable including:

   i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
   ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
   iii. To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The duties of the Committee in relation to its remuneration function shall be:

(t) To consider and determine, based on their performance and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and the Key Managerial Personnel, namely,

   i. base salary (the Committee shall also consider the pension consequences of basic salary increases);
   ii. bonuses and performance-related payments (including profit-sharing schemes);
   iii. discretionary payments;
   iv. pension contributions;
   v. benefits in kind; and
   vi. share options and their equivalents

(u) To approve the remuneration of other members of the senior management of the Company;

(v) To review and approve compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(w) In relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company;

(x) To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(y) To administer the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:

i. Determining the eligibility of employees to participate under the ESOP Scheme;
ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
iii. Date of grant;
iv. Determining the exercise price of the option under the ESOP Scheme;
v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
x. The grant, vest and exercise of option in case of employees who are on long leave;
xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
xii. The procedure for cashless exercise of options;
xiii. Forfeiture/ cancellation of options granted;
xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
xv. The number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
xvi. For this purpose, follow global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
xvii. The vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(z) To construe and interpret the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(aa) To consider any other matters as may be requested by the Board; and

(bb) To make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The committee is authorised by the Board to:

(a) investigate any activity within its terms of reference;
(b) seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
(c) call any director or other employee to be present at a meeting of the Committee as and when required.

If the Committee considers it necessary so to do it is authorised to obtain appropriate external advice including but not limited to legal and professional advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the

Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Board.

3. Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee was last re-constituted by a resolution of our Board dated November 25, 2020. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the Committee	Designation
Ravi Goenka	Chairperson	Chairman and Managing Director
Sangeeta Singh	Member	Independent Director
Rajeev Goenka	Member	Non-Executive Director

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

(a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 as well the provisions of the Company's policies;

(b) To recommend the amount of expenditure to be incurred on the activities referred to in point 1 above;

(c) To monitor, review, revise and update the Corporate Social Responsibility Policy of the Company from time to time;

(d) To define and institute a transparent monitoring mechanism for implementation of the CSR activities; and

(e) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The committee is authorised by the Board to:

(a) investigate any activity within its terms of reference;
(b) seek any information that it properly requires from any employee of the Company or any associate or subsidiary company in order to perform its duties.

If the Committee considers it necessary so to do it is authorised to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Committee.

4. *Stakeholders Relationship Committee ("SR Committee")*

The SR Committee was constituted by a resolution of our Board dated November 25, 2020. The current constitution of the SR Committee is as follows:

Name of Director	Position in the Committee	Designation
Manish Chokhani	Chairperson	Independent Director
Ravi Goenka	Member	Chairman and Managing Director
Harshvardhan Goenka	Member	Executive Director – Business development and Strategy

The scope and function of the SR committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) To redress and resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, share certificates, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

(b) To consider and look into various aspects of interest of shareholders, debenture holders and other security holders;

(c) To review of measures taken for effective exercise of voting rights by shareholders;

(d) To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(e) To give effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(f) To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(g) To review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

(h) To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority; and

(i) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The committee is authorised by the Board to:

(a) investigate any activity within its terms of reference;
(b) seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
(c) call any director or other employee to be present at a meeting of the committee as and when required.

If the committee considers it necessary so to do it is authorised to obtain appropriate external advice including but not limited to legal and professional advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Board.

5. ***Risk Management Committee ("RM Committee")***

The RM Committee was constituted by a resolution of our Board dated November 25, 2020. The current constitution of the RM Committee is as follows:

Name of Director	Position in the Committee	Designation
Dr. Rajeev Vaidya	Chairperson	Independent Director
Satej Nabar	Member	Executive Director and Chief Executive Officer
Harshvardhan Goenka	Member	Executive Director – Business development and Strategy

The scope and function of the RM Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) To formulate, monitor and review risk management policy and plan, inter alia, covering cyber security risks;

(b) To review and monitor the Company's future risk strategy and its risk appetite, in particular, in relation to capital, liquidity and operational risk and to make recommendations on risk appetite to the Board;

(c) To review and robustly assess the design, completeness and effectiveness of the risk management framework relative to the Company's activities including those that would threaten its business model, future performance, solvency or liquidity; to review the adequacy and quality of the risk management function; and to review the effectiveness of risk reporting (including timeliness and risk events);

(d) To carry out any other function as is referred by the Board from time to time or required under relevant provisions of the applicable laws, regulations or various circulars issued by the regulatory authorities;

(e) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

6. Finance Committee

The Finance Committee was constituted by a resolution of our Board dated May 13, 2020. The current constitution of the Finance Committee is as follows:

Name of Director	Position in the Committee	Designation
O.V. Bundellu	Chairman	Independent Director
Ravi Goenka	Member	Chairman and Managing Director
Satej Nabar	Member	Executive Director and Chief Executive Officer
Partha Roy Chowdhury	Member	Chief Financial Officer

The scope and function of the Finance Committee and its terms of reference are as follows:

(a) Investigating any activity within its terms of reference;

(b) Seeking any information that it properly requires from any employee of the Company or any associate or subsidiary company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Finance Committee;

(c) Calling any director other employee to be present at a meeting of the Finance Committee as and when required;

(d) If the Finance Committee considers it necessary it is authorised to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Finance Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Finance Committee/Board;

(e) Identifying forex risks (i.e., foreign exchange fluctuation risks, interest rate risk), financial risks and other business risks and suggesting / implement mitigating measures to address the same;

(f) Opening / closing bank accounts (current, cash credit, saving, fixed and recurring deposits, derivative trading, etc.) and availing various other incidental banking facilities (inter-changeability, net banking, phone banking, etc.) offered by the bank;

(g) Approving and undertaking expenditure of general nature up to a maximum limit of ₹ 200 million;

(h) Approving and undertaking expenditure of capital nature up to a maximum limit of ₹ 1000 million.

(i) Approving borrowings including term loan facility or additional bank facility for working capital purpose and to accept, acknowledge and sign on behalf of the Board the sanction/facility letters of any amount, issued by Bankers/Financial Institutions in this regard and to create charge and to provide security in respect of such borrowings.

(j) Issuing commercial papers or any other debt instruments up to ₹ 500 million.

(k) Investing the surplus funds of the company in fixed deposits with the banks or corporates, or in mutual funds or in any other debt instruments.

(l) Granting loans to or give guarantee or provide security in respect of loans obtained by any subsidiary company, associate company, joint venture up to a maximum limit of ₹ 2,000 million

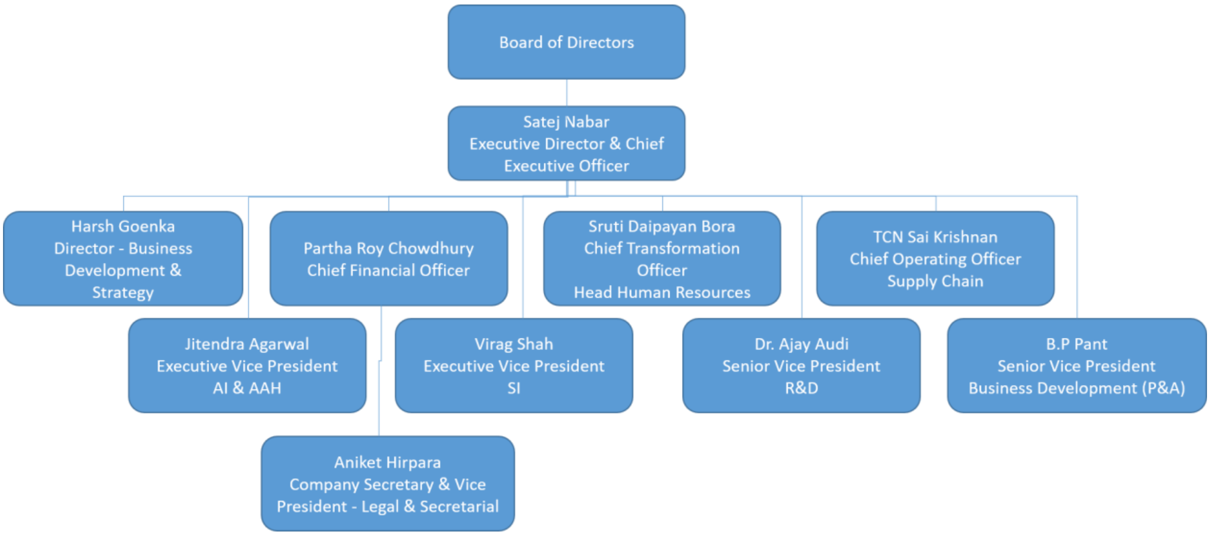
(m) Authorising any officer of the Company for the following matters:

-To acquire any movable and immovable assets (property) on Leave & License, Lease or Hire Purchase basis.

-Dealing with and execute various papers, deeds, agreements and documents with various Departments, Statutory or Local Bodies of the Central or State Government.

(n) Authorizing the employees/officers to handle and deal in legal matters, if any on behalf of the Company.

Management organization chart



Key Managerial Personnel

In addition to Ravi Goenka, our Chairman and Managing Director, Satej Nabar, our Executive Director and Chief Executive Officer, and Harshvardhan Goenka, our Executive Director – Business development and Strategy, whose details are provided in "*Our Management - Brief profiles of our Directors*" on page 202, the details of our other Key Managerial Personnel as on the date of this Prospectus are as set forth below:

Partha Roy Chowdhury, aged 60 years is the Chief Financial Officer of our Company and the President – Corporate of our Company. He joined our Company on January 25, 2016. He is an associate member of the Institute of Chartered Accountants of India. He has more than 31 years of experience in building and leading businesses through complex operational issues, financial restructuring, international expansion and capital market transactions. In the past, he has been associated with Arvind Mafatlal Group, Indian Oxygen Limited, ESAB India Limited and Navin Fluorine International Limited. In Fiscal 2020, he received remuneration of ₹ 19.99 million from our Company.

Aniket Hirpara, aged 38 years is the Company Secretary of our Company and the Vice President – Legal &

Secretarial. He is responsible for overlooking the secretarial and legal matters of our Company. He joined our Company on August 3, 2012. He holds a bachelor's degree in commerce and a master's degree in business administration (part time) (finance) from Narsee Monjee Institute of Management Studies. He is an associate member of the Institute of Company Secretaries of India. He has more than 15 years of experience in secretarial and legal matters. In the past, he has been associated with Hemanshu Kapadia & Associates, Company Secretaries, Provogue (India) Limited, Neesa Leisure Limited and Bharat Serums and Vaccines Limited. In Fiscal 2020, he received remuneration of ₹ 4.19 million from our Company.

TCN Sai Krishnan, aged 51 years is the Chief Operating Officer of our company. He joined our Company on November 26, 2019. He is a chemical engineer and holds a master's degree in business administration from Indira Gandhi National Open University. He has participated in the "Management Development Programme for Asian Paints (India) Limited Executives" conducted by the Indian Institute of Management, Ahmedabad, and has successfully completed the "Strategy and Leadership Development Program" and "General Management Program for Managers of Asian Paints Limited" held by the Indian Institute of Management, Calcutta, and the "General Management Program for Managers of Asian Paints Limited" held by the Strategy Academy Centre for Advanced Studies. He is a certified energy manager and a certified energy auditor under the Energy Conservation Act 2001, by the National Productivity Council. He has also been certified as an environmental management system lead auditor, and an occupational health and safety management system auditor by the IRCA Training Organisation. He has approximately 30 years of experience in manufacturing, projects, procurement & supply chain with speciality chemicals, petro chemicals, paints, inks & FMCG industries. In the past, he has been associated with Asian Paints Limited as general works manager, Sakata Inx (India) Private Limited as head of manufacturing, Shalimar paints as vice-president-manufacturing, and with other organizations like Thirumalai Chemicals Limited, SRF Limited Fibres and Plastics Group, & Indian Organic Chemicals Limited. In Fiscal 2020, he received remuneration of ₹ 5.82 million.

Sruti Bora, aged 43 years, is the Chief Transformation Officer and Head HR of our Company. He is responsible for the human resources and transformation initiatives of our Company. He holds a masters of arts degree in personnel management & industrial relations from Tata Institute of Social Sciences. He joined our Company on October 15, 2018. In the past, he was associated with companies like Kellogg India Private Limited, Lakme Lever Private Limited, and Cadbury India. In Fiscal 2020, he received remuneration of ₹ 14.50 million.

Jitendra Agarwal, aged 51 years, is the Executive Vice President- AI of our Company. He joined our Company on June 1, 2018. He is an associate member of the Institute of Chartered Accountants of India. He has over 27 years of experience in multi-domain such as finance, accounts, global procurement, supply chain, sales and marketing, operations and industrial relations and BU management. In the past, he was associated with Huhtamaki India Ltd, as head-strategic sourcing. In Fiscal 2020, he received remuneration of ₹ 9.75 million.

Virag Shah, aged 42 years, is the is Executive Vice President- SI Business of our Company. He joined our Company on July 30, 2020. He holds a master's degree of science in applied chemistry and master's degree of business administration from Maharaja Sayajirao University of Baroda. He has approximately 18 years of experience in marketing, sales, business development of specialty chemicals, pharmaceutical intermediates and active pharmaceutical ingredients. He did not receive remuneration in Fiscal 2020.

Dr. Ajay Audi, aged 52 years, is the Senior Vice-President- Research and Development of our Company. He joined our Company on December 9, 2013, and is responsible for synthesis and analytical developments of old and new molecules and intermediates of future prospects for our Company at the R&D centres. He holds a doctorate degree in philosophy (science) for a thesis in organic chemistry from University of Mumbai. He has over 32 years of experience in the field of process developments and scale ups of Agro –AIs and pharma – active pharmaceutical ingredients. In the past, he was associated with Gharda Chemicals Limited, Glenmark Pharmaceuticals Limited in the capacity of senior research officer-bulk actives, and Arch Pharmalabs Limited in the capacity of general manager-research and development. In Fiscal 2020, he received remuneration of ₹ 4.77 million.

B. P Pant, aged 47 years, is the Senior Vice President- Business Development (P&A) of our Company. He joined our Company on February 28, 2018. He holds a master's degree of science in organic chemistry from University of Pune. He has over 24 years of experience in the field of process research, program management, business development, sales and marketing of agrochemical intermediates/AIs, pharmaceutical intermediates and specialty chemicals. In the past, he has worked with SRF Limited, Nicholas Piramal India Limited, Gujarat Insecticides

Limited, PI Industries Limited, and IPCA Laboratories Limited. In Fiscal 2020, he received remuneration of ₹ 6.03 million.

All our Key Managerial Personnel are permanent employees of our Company.

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Family relationships of Directors with Key Managerial Personnel

Except Ravi Goenka who is the brother of Rajeev Goenka and father of Harshvardhan Goenka, none of our Key Managerial Personnel are related to any of our Directors or other Key Managerial Personnel.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel (other than our Directors) hold any Equity Shares as on date of this Prospectus. Further, certain Key Managerial Personnel have also been granted ESOPs under the ESOP-2020 of the Company. For details on the ESOP-2020 please see "*Capital Structure – Laxmi - Employee Stock Option Plan -2020 (Active employee stock option scheme)*" on page 89.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Other than as disclosed in "*Our Management- Bonus or profit-sharing plan for our Directors*, our Company does not have a performance linked bonus or profit sharing plan for our Executive Directors and our Executive Directors have not received any compensation in Fiscal 2020 pursuant to any bonus or profit sharing plan.

With respect to our Key Managerial Personnel (other than Executive Directors), except for performance based discretionary incentives paid in accordance with their respective terms of appointment and any payments required under applicable law, none of our Key Managerial Personnel are a party to any bonus or profit sharing plan or have received any compensation in Fiscal 2020 pursuant to any bonus or profit sharing plan.

Interest of Key Managerial Personnel

For details of the interest of our Directors in our Company, see "*Our Management-Interest of Directors*" on page 207.

Our Key Managerial Personnel (other than our Directors) are interested in our Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. Further, Our Key Managerial Personnel (other than our Directors), may be deemed to be interested in our Company to the extent of options granted to them under ESOP-2020.

Changes in the Key Managerial Personnel in last three years:

For details of the changes in our Executive Directors, see "*Our Management - Changes to our Board in the last three years"* on page 208. The changes in our Key Managerial Personnel (other than our Directors) in the three years preceding the date of this Prospectus is as mentioned below:

Name	Designation	Date of Change	Reason
Virag Shah	Executive Vice President-SI Business	July 30, 2020	Appointment
Kasi V	Executive Vice President-SI Business	May 7, 2020	Resignation
TCN Sai Krishnan	Chief Operating Officer	November 26, 2019	Appointment
Sruti Bora	Chief Transformation Officer and Head of HR	October 15, 2018	Appointment
Biswarup Goswami	Chief Transformation Officer and President, HR	June 20, 2018	Resignation
Jitendra Agarwal	Head- Acetyl Intermediate	June 1, 2018	Appointment
B. P. Pant	Vice President- Agro and Pharma	February 28, 2018	Appointment

Payment or Benefit to officers of our Company (non-salary related)

Except as disclosed in this section and *Restated Consolidated Financial Statements- Annexure 1- Related Party Disclosures*" at page 289 and except in relation to the YCPL Acquisition, no non-salary related amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel.

Employee Stock Option

For details of our Company's employee stock option plan and grant of options made thereunder, see "*Capital Structure – Laxmi - Employee Stock Option Plan -2020 (Active employee stock option scheme)*" on page 89.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

The Promoters of our Company are:

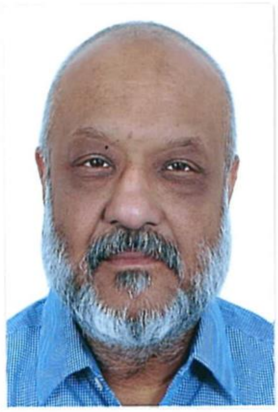
1. Ravi Goenka; and
2. Yellow Stone Trust

As on the date of this Prospectus, our Promoters hold 199,938,282 Equity Shares in aggregate, representing 83.10% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, please see the section titled "*Capital Structure – Build-up of the Promoters' shareholding in our Company*" beginning on page 93.

Details of our Promoters are as follows:

<u>*Individual Promoter:*</u>

1. Ravi Goenka



Ravi Goenka, aged 59 years, is one of our Promoters, and is also the Chairman and Managing Director of our Company.

Date of Birth: February 11, 1962
Address: 221/C, Grand Paradi Apartments, A.K. Marg, Kemps Corner, Mumbai – 400 036, Maharashtra.

Permanent Account Number: AACPG2667D
Aadhar Card Number: 788873278460
Driving License: MH01 20070062199

For the complete profile of Ravi Goenka, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 199.

Our Company confirms that the permanent account number and bank account number and passport number of Ravi Goenka has been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

<u>*Corporate Promoter:*</u>

2. Yellow Stone Trust

Trust Information and history

Yellow Stone Trust was formed as an irrevocable trust pursuant to a trust deed dated October 31, 2017 (the "**Trust Deed**") in accordance with the provisions of the Indian Trusts Act, 1882. The principal place of business of Yellow Stone Trust is located at 3rd Floor, Chandermukhi Apartment, Nariman Point, Mumbai- 400 021, Maharashtra.

Vasudeo Goenka is the settlor of the Yellow Stone Trust. As at the date of this Prospectus, Yellow Stone Trust (through its trustee, Ravi Goenka) holds 199,781,907 Equity Shares, representing 83.04% of the issued, subscribed and paid-up Equity Share capital of our Company.

Board of Trustees

The trustees of Yellow Stone Trust, as on the date of this Prospectus are Ravi Goenka, Manisha Goenka and Rajeev Goenka ("**Trustees**"). The trust fund is controlled and managed by the Trustees. Ravi Goenka is the managing trustee of the Yellow Stone Trust. The decision making is conducted by a majority vote, wherein the managing trustee has a veto right.

Beneficiaries of Yellow Stone Trust

The beneficiaries of Yellow Stone Trust include Vasudeo Goenka CMT Trust, Ravi Goenka Lineage Trust and Rajeev Goenka Lineage Trust (collectively the "**Trust Beneficiaries**") in the ratio of 11.142:68.183:20.675. The ultimate beneficiaries of the Yellow Stone Trust are the individual Promoter, his brother, Rajeev Goenka, their spouses and lineal descendants.

Objects and Function

The objectives of Yellow Stone Trust include, *inter alia*:

- to hold the trust fund for the benefit of beneficiaries until the distribution;
- to nurture and monitor the growth of controlled entities;
- to act as a mechanism to keep the families together with clear demarcation of the interests of each branch of the family in the trust fund;
- to avoid conflicts between various branches of the family;
- to provide powers to the trustees to distribute income and/or assets to the beneficiaries in the manner specified in the trust deed; and
- to provide, whole or part, of the trust property as security, and/or provide guarantee towards financial/performance obligations including contingent obligations) of one or more beneficiaries or trustees or controlled entities or third parties either singly or jointly.

Our Company confirms that the permanent account number and bank account number of Yellow Stone Trust has been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Change in control of our Company

While there has been no effective change in control of our Company in the five years immediately preceding the date of this Prospectus, Yellow Stone Trust acquired majority stake in the Company in January 2018 by way of transfer from Ravi Goenka, one of the Promoters of our Company; and Rajeev Goenka and Vasudeo Goenka, members of the Promoter Group of our Company. For further details, please see *"Capital Structure -Build-up of the Promoters' shareholding in our Company"* on page 93.

Other ventures of our Promoters

Other than as disclosed in this section, "*Our Management – Other Directorships*" on pages 199, our Promoters are not involved in any other ventures.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. For further details, see "*Capital Structure - Build-up of the Promoters' shareholding in our Company*" beginning on page 93. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters.

Further, Ravi Goenka, one of the Promoters of our Company is also interested in our Company as a Managing Director and may be deemed to be interested in the reimbursement of expenses payable to him. For further details, see "*Our Management*" beginning on page 199.

One of our Promoters, Ravi Goenka is interested to the extent of consideration payable by our Company to him pursuant to the YCPL Acquisition. For further details, please "*History and Certain Corporate Matters*" on page 187.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

None of our Promoters have any interest in any property acquired by our Company in the preceding five years from the date of this Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building and supply of machinery.

Payment or Benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in "*Restated Consolidated Financial Statements - Annexure 1 - Related Party Disclosures*" on page 289 and except in relation to the YCPL Acquisition, details of which are disclosed in "*History and Certain Corporate Matters*" on page 187, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Except as mentioned below, none of our Promoters have disassociated itself from any other company or firm in the three years preceding the date of this Prospectus.

Name of Promoter	Name of Company	Date of disassociation	Reason for disassociation
Ravi Goenka	Varadvinayak Multi-Impex Private Limited	September 15, 2020	Inability to devote time

Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our individual Promoter, are as follows:

S. No.	Name of member of our Promoter Group	Relationship with our individual Promoter
1.	Manisha Goenka	Spouse
2.	Vimaladevi Goenka	Mother
3.	Vasudeo Goenka	Father
4.	Rajeev Goenka	Brother
5.	Harshvardhan Goenka	Son
6.	Niharika Goenka	Daughter
7.	Vijaykumar Sarawgi	Spouse's father
8.	Shobha Vijaykumar Sarawgi	Spouse's mother
9.	Prashant Sarawgi	Spouse's brother

Entities forming part of the Promoter Group

The entities and trusts forming part of our Promoter Group are as follows:

1. Acetyls Holding Private Limited

2. Alumi Profiles Private Limited
3. Amrutsagar Constructions Private Limited
4. Anugrah Investments Limited
5. Aqua Mischief Private Limited
6. Brady Investments Private Limited
7. Crescent Oils Private Limited
8. Enersun Powertech Private Limited
9. Harshvardhan Impex Private Limited
10. International Knowledge Park Private Limited
11. Krishna Meadows Private Limited
12. Laxmi Bioenergie Limited
13. Laxmi Capital Services Private Limited
14. Laxmi Natural Products Private Limited
15. Laxmi Tank Terminals Private Limited
16. Maharashtra Aldehydes and Chemicals Limited
17. Merton Finance & Trading Private Limited
18. Ojas Dye-Chem (India) Private Limited
19. Pedestal Finance & Trading Private Limited
20. Samsung Investments & Finance Private Limited
21. Sherry Exports Private Limited
22. Sherry Securities Private Limited
23. Starsilver Mercantile Company Private Limited
24. Suvas Holdings Limited
25. Unity Papers Private Limited
26. Unity Portfolio Private Limited
27. S R Artefacts Private Limited
28. Yellowstone Chemicals Private Limited
29. Yellowstone Oil & Gas Private Limited
30. Ravi Goenka Lineage Trust
31. Rajeev Goenka Lineage Trust
32. Vasudeo Goenka CMT Trust
33. Vasudeo Goenka EMT Trust
34. Vasudeo Goenka Family Trust
35. MACL Holdings Trust
36. Vivaara Holdings Trust
37. Ravi Goenka Trust
38. Manisha Goenka Family Trust
39. Harshvardhan Goenka Family Trust
40. Niharika Goenka Family Trust
41. Aditi Goenka Family Trust
42. Aryavrat Goenka Family Trust
43. Avantika Goenka Family Trust

The Hindu Undivided Families and firms forming part of our Promoter Group are as follows:

1. Rajeev Goenka (HUF)
2. Shri Tirupati Trading Co.
3. Vasudeo Goenka (HUF)
4. Viva Orchards
5. Wintech Systems
6. Yellowstone Clean Energy LLP
7. Silver Quest (India) LLP
8. Vijaykumar Satyanarayan LLP
9. Vijaykumar Sarawgi HUF
10. Prashant Sarawgi HUF
11. V. K. Sarawgi HUF
12. Arch Shelters LLP
13. Arch Habitats LLP
14. Zenith Distributors

15. Cleanwin Energy One LLP
16. Cleanwin Energy Two LLP
17. Cleanwin Energy Three LLP
18. Cleanwin Energy Four LLP
19. Cleanwin Energy Five LLP

Our Company had filed an application dated December 15, 2020 with SEBI under Regulation 300(1)(c) of the SEBI ICDR Regulations, seeking an exemption from identifying and disclosing Yogita Chokhani (sister of the spouse of Ravi Goenka) and body corporates/entities and HUFs in which Yogita Chokhani holds 20% or more of the equity share capital, as members of the Promoter Group. Pursuant to a letter dated January 11, 2021 (bearing reference number SEBI/HO/CFD/DILII/RD/RP/OW/2021/775/1), SEBI has exempted our Company from classifying the above-mentioned individual, body corporates/entities and HUFs as members of the Promoter Group. Accordingly, the above list of members of our Promoter Group does not include Yogita Chokhani or body corporates/entities and HUFs in which Yogita Chokhani holds 20% or more of the equity share capital.

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Consolidated Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in this Prospectus if: (i) the Company and/or its Promoters hold 10% or more of the equity share capital of such company; and (ii) the Company has entered into one or more transactions with such company during the last completed fiscal year, which individually or cumulatively in value exceeds 5% of the total consolidated income of the Company for that fiscal year as per the Restated Consolidated Financial Statements.

Based on the above, our Group Companies are set forth below:

1. Maharashtra Aldehydes and Chemicals Limited;
2. Suvas Holdings Limited;
3. Yellowstone Chemicals Private Limited;
4. Merton Finance and Trading Private Limited;
5. Sherry Exports Private Limited; and
6. Brady Investments Private Limited

Details of our Group Companies

The details of our Group Companies are provided below:

1. Maharashtra Aldehydes and Chemicals Limited (“MACL”)

Corporate Information

MACL was incorporated in its present name in Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, on May 13, 1982.

Nature of activities

MACL is presently engaged in the business of manufacturing of chemicals.

Financial information

The financial information derived from the audited financial statements of MACL for the last three financial years (i.e. for the Fiscals 2020, 2019 and 2018) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscals		
	2020	**2019**	**2018**
Equity capital	5.57	5.57	5.57
Reserves and surplus (excluding revaluation reserves)	177.80	165.64	150.35
Revenue from operations and other income	725.39	843.34	899.93
Profit/(loss) after tax	12.15	15.29	17.92
Earnings / (Loss) per share (₹) (Basic)	21.84	27.48	32.21
Earnings per share (₹) (Diluted)	21.84	27.48	32.21
Net asset value per share	355.89	334.05	306.56

There are no significant notes of the auditors of MACL, in relation to the aforementioned financial statements for the last three financial years.

2. Suvas Holdings Limited ("Suvas")

Corporate Information

Suvas was originally incorporated as "Suvas Holdings Private Limited" in Mumbai, Maharashtra as a private limited company under the Companies Act 1956, on September 20, 2000. Subsequently, the name of the company was changed to "Suvas Holdings Limited" on June 1, 2004.

Nature of activities

Suvas is presently engaged in the business of power generation.

Financial information

The financial information derived from the audited financial statements of Suvas for the last three financial years (i.e. for the Fiscals 2020, 2019 and 2018) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscals		
	2020	2019	2018
Equity capital	299.32	292.54	133.10
Reserves and surplus (excluding revaluation reserves)	(10.20)	(17.81)	(2.68)
Revenue from operations and other income	37.87	0.55	0.45
Profit/(loss) after tax	8.42	(15.93)	(0.33)
Basic earnings per share	0.28	1.02	(0.03)
Diluted earnings per share	0.28	1.02	(0.03)
Net asset value per share	9.66	5.61	7.54

There are no significant notes of the auditors of Suvas in relation to the aforementioned financial statements for the last three financial years.

3. Yellowstone Chemicals Private Limited ("YCPL")

Corporate Information

YCPL was incorporated in its present name in Mumbai, Maharashtra as a private limited company, under the Companies Act, 2013, on June 12, 2019.

Nature of activities

YCPL is presently engaged in the business of manufacturing of chemicals. For more details on the YCPL Acquisition, see "*History and Certain Corporate Matters*".

Financial information

The financial information derived from the audited financial statements of YCPL for the last financial year (i.e. for the Fiscal 2020) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscal 2020
Equity capital	54.00
Reserves and surplus (excluding revaluation reserves)	7.32
Revenue from operations and other income	478.18
Profit/(loss) after tax	8.39
Earnings / (Loss) per share (₹) Basic	2.95

Particulars	For the Fiscal 2020
Earnings per share (₹) Diluted	2.95
Net asset value per share	21.58

There are no significant notes of the auditors of YCPL in relation to the aforementioned financial statements for the last financial year.

4. Merton Finance and Trading Private Limited ("Merton Finance")

Corporate Information

Merton Finance was incorporated in its present name in Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, on March 26, 1993.

Nature of activities

Merton Finance is presently engaged in the business of investment.

Financial information

The financial information derived from the audited financial statements of Merton Finance for the last three financial years (i.e. for the Fiscals 2020, 2019 and 2018) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscals		
	2020	2019	2018
Equity capital	0.10	0.10	0.10
Reserves and surplus (excluding revaluation reserves)	(0.02)	(0.01)	(0.01)
Revenue from operations and other income	0.11	0.11	0.11
Profit/(loss) after tax	(0.01)	(0.00)	(0.00)
Earnings / (Loss) per share (₹) Basic	(0.86)	(0.03)	(0.08)
Earnings per share (₹) Diluted	(0.86)	(0.03)	(0.08)
Net asset value per share	8.09	8.92	8.95

There are no significant notes of the auditors of Merton Finance, in relation to the aforementioned financial statements for the last three financial years.

5. Sherry Exports Private Limited ("Sherry Exports")

Corporate Information

Sherry Exports was incorporated in its present name in Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, on February 21, 1991.

Nature of activities

Sherry Exports is presently engaged in the business of trading.

Financial information

The financial information derived from the audited financial statements of Sherry Exports for the last three financial years (i.e. for the Fiscals 2020, 2019 and 2018) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscals		
	2020	2019	2018
Equity capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	18.14	16.83	16.84
Revenue from operations and other income	1.90	0.51	4.29
Profit/(loss) after tax	1.31	(0.01)	4.04
Basic earnings per share	26.20	(0.18)	80.81
Diluted earnings per share	26.20	(0.18)	80.81
Net asset value per share	372.85	346.65	346.83

There are no significant notes of the auditors of Sherry Exports, in relation to the aforementioned financial statements for the last three financial years.

6. Brady Investments Private Limited ("Brady Investments")

Corporate Information

Brady Investments was incorporated in its present name in Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, on March 2, 1990.

Nature of activities

Brady Investments is presently engaged in the business of investment.

Financial information

The financial information derived from the audited financial statements of Brady Investments for the last three financial years (i.e. for the Fiscals 2020, 2019 and 2018) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscals		
	2020	2019	2018
Equity capital	0.14	0.14	0.14
Reserves and Surplus (excluding revaluation reserves)	33.76	32.05	32.40
Revenue from Operations & Other Income	2.76	1.06	50.08
Profit/(Loss) after Tax	1.71	(0.35)	2.11
Earnings / (Loss) per share- Basic	1,199.54	(242.49)	1,478.16
Earnings per share- Diluted	1,199.54	(242.49)	1,478.16
Net asset value per share	23,759.10	22,559.56	22,802.05

There are no significant notes of the auditors of Brady Investments, in relation to the aforementioned financial statements for the last three financial years.

Nature and extent of interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Companies and our Company

Except YCPL which is engaged in the business of manufacture of ethyl acetate and acetaldehydes, there are no common pursuits amongst our Group Companies and our Company. Our Company has entered into a share purchase agreement dated December 9, 2020 in relation to the YCPL Acquisition. Please see "*History and Certain Corporate Matters*" on page 187.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in "*Restated Consolidated Financial Statements – Annexure 1 - Related Party Disclosures*" on page 289, there are no related business transactions with the Group Companies.

Litigation

As on the date of this Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in "*Restated Consolidated Financial Statements – Annexure 1 - Related Party Disclosures*" on page 289, none of our Group Companies have any business interest in our Company.

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of our Group Companies during the five years preceding the date of this Prospectus.

Sick company/winding up/insolvency proceedings

None of our Group Companies fall under the definition of sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 and none of them are under winding up. Further, there are no pending insolvency proceedings in respect of any Group Company.

Loss making Group Companies

Other than as disclosed below, none of our Group Companies have incurred losses in the last audited financial year.

(₹ in million)

Name of the Group Company	Profit after tax/(loss) for the Fiscal ended March 31, 2020
Merton Finance and Trading Private Limited	(0.01)

Confirmations

None of our Group Companies have any securities listed on a stock exchange. Further, neither of our Group Companies has made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Prospectus.

Further, neither have any of the securities of our Company or any our Group Companies been refused listing by any stock exchange in India or abroad, nor has our Company or any of our Group Companies failed to meet the listing requirements of any stock exchange in India or abroad.

DIVIDEND POLICY

As on the date of this Prospectus, our Company has adopted a dividend distribution policy ("**Dividend Policy**") pursuant to a resolution of the Board dated November 25, 2020. The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, in terms of the Dividend Policy and subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

In accordance with the Dividend Policy, the Board shall consider the following financial and internal parameters before declaring dividend: (i) current year profits arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Companies Act; (ii) profits from any of the previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Companies Act; (iii) fund requirements to finance the working capital needs of the business; (iv) opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, network expansion, etc; (v) funding requirements for any organic and inorganic growth opportunities to be pursued by the Company; (vi) optimal free cash to fund any exigencies, if any; and (vii) prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws. Further, the Dividend Policy provides that the retained earnings of the Company may be utilised for, *inter alia*, acquisition of brands/business, diversification of business, enhancement of product capacity and modernization plans.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into, to finance our fund requirements for our business activities. For details, see section "*Financial Indebtedness*" on page 337.

The details of the dividend paid by our Company on the Equity Shares for the last three Fiscals and the six months ended September 30, 2020, as per our Restated Consolidated Financial Statements and for the period starting from October 1, 2020, till the date of this Prospectus, are given below:

Particulars	From October 1, 2020 till the date of this Prospectus	Six months ended September 30, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
Number of equity shares at year/period ended	240,585,850	45,016,395	45,016,395	50,045,405	10,009,081
Face value per equity share (in ₹)	2	10	10	10	10
Dividend per equity share (in ₹)*	-	-	1.75	0.35	1.5
Dividend paid (in ₹ million)	-	-	78.78	17.52	15.01
Rate of dividend (%)	-	-	17.50%	3.50%	15%
Dividend distribution tax# (in ₹ million)	-	-	-	3.60	3.09
Dividend distribution tax (%)	-	-	-	20.55%	20.60%
Mode of payment	-	-	Bank transfer/ Demand Draft	Bank transfer	

#*There is no dividend distribution tax payable for dividends distributed after April 1, 2020.*

***Excluding dividend distribution tax.*

(1)*The dividend (₹ 1.20 per equity share) for Fiscal 2017 amounting to ₹ 14.46 million including dividend distribution tax was paid in Fiscal 2018.*

(2)*The dividend for Fiscal 2018 was paid in Fiscal 2019, Fiscal 2019 was paid in Fiscal 2020 and Fiscal 2020 was paid in Fiscal 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 be decreased in the future. For details, see "*Risk Factors – Our Company's ability to pay dividends in the future will depend on a number of factors, including but not limited to our Company's earnings,* *capital requirements, contractual obligations, applicable legal restrictions and overall financial position.*" on page 52.

SECTION VII – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

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

Independent Auditor's
Examination Report on Restated Consolidated Financial Information

The Board of Directors
Laxmi Organic Industries Limited
Chandermukhi, 3rd Floor
Nariman Point,
Mumbai 400021,
India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Laxmi Organic Industries Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), its associates and its joint venture, comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flow for the six month period ended September 30, 2020 and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on February 23, 2021 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") and offer for sale by existing Shareholders together the "Offer" prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act")

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Maharashtra at Mumbai, as required, in connection with the proposed Offer. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2.1 to the Restated Consolidated Financial Information. The respective Board of Directors of the Company and the other companies included in the Group and of its associates and joint ventures responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group and its associates and joint ventures complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 1, 2020 in connection with the proposed Offer of equity shares Company;

    b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

    c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

    d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offer

4. These Restated Consolidated Financial Information have been compiled by the management from:

    a) Audited Special Purpose Interim consolidated financial statements of the Group and its associates and joint ventures as at and for the six month period ended September 30, 2020 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on October 30, 2020.

b) Audited Consolidated Ind AS financial statements of the Group and its associates and joint ventures as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on October 30, 2020, July 15, 2019 and June 20, 2018, respectively.

5. For the purpose of our examination, we have relied on:

   a) Auditors' reports issued by us dated October 30, 2020, October 30, 2020, July 15, 2019 and June 20, 2018 on the consolidated financial statements of the Group as at and for the six month period ended September 30, 2020 and as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively as referred in Paragraph 4 above; and

6. The audit report on the financial statements as at and for the years ended March 31, 2018 on the consolidated financial statements issued by us were modified and included following matters giving rise to modifications,:

   "The financial statements of one of the subsidiary M/s Laxmi Organic Industries (Europe) B.V. is based on un-audited management prepared financial statements and have been accounted on the basis of the management accounts including the INDAS conversion for the purposes of making the said financial statements fit for consolidation which has been prepared by the management. We have not carried out further audit procedures on the management prepared accounts including the INDAS effects. The financial statements of this subsidiary is having total assets of Rs 504.79 million as at March 31, 2018, Revenue of Rs 1674.38 million and cash outflow of Rs 18.01 million for the period April 1, 2017 to March 31, 2018"

   The said financial statements of the subsidiary M/s Laxmi Organic Industries (Europe) B.V. were subsequently audited and those have been considered and relied upon for the purposes of the Restated Consolidated Financial Statements. This did not require any adjustments in these Restated Consolidated Financial Information as there were no changes in the financial statements prepared by the management and those that were subsequently audited.

7. As indicated in our audit reports referred above:

   a) we did not audit the financial statements of subsidiaries, associates and joint ventures whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its associates and joint ventures included in the consolidated financial statements, for the relevant years 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 these components, is based solely on the reports of the other auditors:

(Rs in Million)

Particulars	As at and for the six month period ended September 30, 2020	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Number of Subsidiaries	5	3	3	3
Number of Associates and Joint Ventures	0	0	1	1
Total assets	910.84	672.51	109.30	84.63
Total revenues	5.70	NIL	NIL	NIL
Net cash inflows/ (outflows)	21.61	1.18	(0.06)	(0.02)
Share of Profit/ Loss in its associates	NA	NA	NA	NA
Share of Profit/ Loss in its Joint Ventures	NA	NA	(4.71)	0.16

NA- Not Applicable

Our opinion on the consolidated Ind AS financial statements is not modified in respect of this matter.

   b) We did not audit the financial statements of subsidiaries whose financial statements reflects total assets, total revenue and net cash outflow for the relevant years is tabulated below. These financial statements, which have been audited by other auditors, were not prepared in accordance with the Ind AS. These financials were converted in to Ind AS financial statements by passing Ind AS adjustment entries, where necessary, by the management for consolidation purpose and these Ind AS adjustment entries were verified by us.

Particulars	As at and for the six month period ended September 30, 2020	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Number of Subsidiaries	4	3	3	3
Total assets	798.09	716.75	1161.02	842.76
Total revenues	1189.13	2712.85	3552.71	2356.57
Net cash inflows/ (outflows)	70.65	(3.31)	(11.81)	(47.19)

These other auditors of the subsidiaries, associates and joint ventures, as mentioned above, have examined the restated financial information of the respective component and have confirmed that the restated financial information wherever restated:

I. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six-month period ended September 30, 2020;

II. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. Based on our examination and according to the information and explanations given to us and other auditors for the respective periods/years, we report that the Restated Consolidated Financial Information:

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, 2020, March 31, 2019 and March 31, 2018, as applicable, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six month period ended September 30, 2020;

b) have been made after giving effect to the matter(s) giving rise to modifications mentioned in paragraph 6 above and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated Ind AS financial statements and audited consolidated financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. 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 for inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Maharashtra at Mumbai, where applicable, in connection with the proposed Offer. 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 Natvarlal Vepari & Co.
Chartered Accountants
Firm's Registration Number – 106971W

N Jayendran
Partner
Membership Number - 040441
Mumbai.
Dated: February 23, 2021
UDIN: 21040441AAAAAH8193

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Restated Consolidated Statement of Assets and Liabilities as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018
(All figures are Rupees in Million unless otherwise stated)

Particulars	Note No.	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	3.1	3,209.28	3,255.13	3,305.90	2,770.88
(b) Capital work-in-progress		743.99	674.89	314.79	299.54
(c) Intangible assets	3.1	6.37	7.78	10.37	2.52
(d) Right of use assets	3.2	100.42	113.69	140.53	159.92
(e) Financial assets					
(i) Loans and Advances	4.2	83.37	82.53	40.53	29.90
(ii) Others	4.5	17.45	10.69	6.32	58.88
(f) Deferred tax Assets (net)	14	15.04	12.60	-	-
(g) Other non-current assets	5	75.44	79.77	77.88	186.46
		4,251.36	**4,237.08**	**3,896.32**	**3,508.11**
(2) Current Assets					
(a) Inventories	8	1,262.10	1,518.89	1,707.46	1,458.30
(b) Financial assets					
(i) Trade receivables	4.1	3,342.96	3,593.67	3,261.80	3,241.82
(ii) Cash and cash equivalents	4.4	266.08	241.10	76.45	52.36
(iii) Other Bank Balance	4.4	549.70	205.99	390.91	-
(iv) Loans and Advances	4.3	1.91	1.96	1.97	10.35
(v) Others	4.6	331.12	403.11	9.23	8.42
(c) Other current assets	6	366.09	504.53	800.74	596.16
(d) Assets held-for-sale	7	-	-	-	71.82
		6,119.96	**6,469.25**	**6,248.56**	**5,439.23**
Total Assets		**10,371.32**	**10,706.33**	**10,144.88**	**8,947.34**
EQUITY & LIABILITIES					
Equity					
(a) Equity Share capital	9	450.16	450.16	500.45	100.09
(b) Other Equity	10	4,273.90	3,819.02	3,998.00	3,693.11
		4,724.06	**4,269.18**	**4,498.45**	**3,793.20**
(c) Non-controlling interests		3.37	3.87	3.47	2.08
Total Equity		**4,727.43**	**4,273.05**	**4,501.92**	**3,795.28**
Liabilities					
(1) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	11.1	902.66	901.53	746.06	531.01
(ii) Lease Liability	11.3	66.87	83.57	107.47	122.95
(b) Provisions	12	30.77	28.36	21.99	18.47
(c) Deferred tax liabilities (net)	14	124.65	132.69	170.71	159.73
(d) Other non-current liabilities	16	-	-	-	5.95
		1,124.95	**1,146.15**	**1,046.23**	**838.11**
(2) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	17	632.95	336.45	666.52	1,388.28
(ii) Trade payables	18				
- total outstanding dues of Micro and Small Enterprise		18.71	39.97	7.15	5.25
- total outstanding dues of other than Micro and Small Enterprise		3,074.75	4,076.30	3,148.50	2,136.06
(iii) Lease Liability	11.4	28.66	23.89	21.30	18.73
(iv) Other financial liabilities	11.5	531.51	621.05	604.01	518.36
(b) Provisions	13	123.05	117.71	86.06	73.48
(c) Current Tax Liabilities (net)	19	14.68	9.65	27.67	101.94
(d) Other current liabilities	15	94.64	62.10	35.52	71.85
		4,518.94	**5,287.12**	**4,596.73**	**4,313.95**
Total Equity and Liabilities		**10,371.32**	**10,706.33**	**10,144.88**	**8,947.34**

The accompanying notes form an integral part of the restated consolidated financial statements

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

N Jayendran
Partner
M.No. 40441

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
ED & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : 23/02/2021

Place : Mumbai
Date : 23/02/2021

-   -   -   -

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736

Restated Statement of Consolidated Profit and Loss for the six month ended September 30, 2020 and years ended March 31, 2020, March 31, 2019 and March 31, 2018.

(All figures are Rupees in Million unless otherwise stated)

	Particulars	Note No.	Six Months Ended	Year Ended		
			Sep-20	Mar-20	Mar-19	Mar-18
I)	**INCOME:**					
	Revenue from operations (gross)	20	8,134.06	15,341.23	15,685.21	13,930.74
	Other income	21	9.49	44.98	58.02	30.01
	Total Income (I)		**8,143.55**	**15,386.21**	**15,743.23**	**13,960.75**
II)	**EXPENSES:**					
	Cost of raw materials consumed	22	3,518.58	7,809.60	8,884.16	6,558.19
	Purchase of stock in trade	23	2,093.42	2,870.66	2,496.00	3,212.96
	Changes in inventories of Finished Goods, Work in progress and Stock in Trade	24	124.73	285.46	(423.83)	(87.27)
	Excise Duty		-	-	-	175.51
	Employee benefits expense	25	357.33	685.64	645.33	526.01
	Finance cost	26	74.42	140.19	169.69	98.09
	Depreciation & amortisation	27	227.01	488.88	440.59	312.86
	Other expenses	28	1,186.07	2,554.39	2,550.70	2,031.42
	Total expenses (II)		**7,581.56**	**14,834.82**	**14,762.64**	**12,827.77**
III)	**Profit before share of profit/(loss) of an associate/ Joint venture and exceptional items (I-II)**		**561.99**	**551.39**	**980.59**	**1,132.98**
	Share of profit/(loss) of a Joint Venture		-	-	(4.70)	0.16
IV)	**Profit before exceptional items and tax**		**561.99**	**551.39**	**975.89**	**1,133.14**
V)	**Exceptional items**	43	-	256.63	-	-
	Profit before tax (IV+V)		**561.99**	**808.02**	**975.89**	**1,133.14**
	Tax expense	29	**107.15**	**105.90**	**251.98**	**376.19**
	1. Current tax		117.64	159.41	241.45	306.65
	2. Deferred tax liability / (asset)		(10.49)	(50.61)	10.99	69.54
	3. Income Tax (Excess)/Short Provision of previous year		-	(2.90)	(0.46)	-
	Profit for the period		**454.84**	**702.12**	**723.91**	**756.95**
	Other comprehensive income					
	Items that will not be reclassified subsequently to profit or loss					
	Remeasurement of the net defined benefit (net of tax)		1.00	(5.29)	(1.00)	3.11
	Total other comprehensive income, net of tax		**1.00**	**(5.29)**	**(1.00)**	**3.11**
	Total comprehensive income for the year		**455.84**	**696.83**	**722.91**	**760.06**
	Profit/(Loss) attributable to:					
	Owners of the Company		454.84	700.75	723.91	756.95
	Non- Controlling Interest		-	1.37	-	-
	Other comprehensive income attributable to:					
	Owners of the Company		1.00	(5.29)	(1.00)	3.11
	Non- Controlling Interest		-	-	-	-
	Earnings per equity share					
	(nominal value of share Rs. 2 each) Refer Note 30(i)					
	Basic & Diluted (Rs)	30	2.02	2.86	2.89	3.03

The accompanying notes form an integral part of the restated consolidated financial statements

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

N Jayendran
Partner
M.No. 40441

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
ED & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : 23/02/2021

Place : Mumbai
Date : 23/02/2021

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Restated Consolidated Statement of Cash Flows for the six month ended September 30, 2020 and years ended March 31, 2020, March 31, 2019 and March 31, 2018.
(All figures are Rupees in Million unless otherwise stated)

Particulars	Six Months Ended	Year Ended		
	Sep-20	Mar-20	Mar-19	Mar-18
A. Cash flow from operating activities				
(I) Restated Profit / (Loss) before exceptional items and tax	561.99	551.39	975.89	1,133.14
Adjustments for:				
Depreciation and amortisation expense	227.01	488.88	440.59	312.86
(Profit) / loss on sale / write off of assets	-	0.12	(0.45)	(0.14)
Finance costs	70.89	123.99	169.69	98.09
Interest income	(8.22)	(32.60)	(16.20)	(9.80)
Guarantee Commission	-	-	(0.51)	(0.58)
Amortisation of upfront fees	2.84	2.07	0.49	0.68
Sales Tax Receivable w/off	1.15	2.51	4.95	8.61
Provision for doubtful debts/Write off - ECL	-	11.35	(0.24)	0.36
Sundry balances written back	(0.32)	(3.77)	(13.77)	(9.10)
Net unrealised exchange (gain) / loss	8.30	(34.86)	25.25	1.03
(II) Total of Non Cash Adjustments	**301.66**	**557.68**	**609.80**	**402.01**
(III) Operating profit / (loss) before working capital changes (I +II)	**863.64**	**1,109.08**	**1,585.68**	**1,535.15**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	256.79	188.57	(249.16)	(712.07)
Trade receivables	246.18	(357.16)	(6.48)	(921.43)
Financial Assets	82.66	(181.24)	(1.78)	(9.66)
Non Financial Assets	146.79	288.33	(117.75)	(276.27)
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payable	(1,040.82)	1,021.25	1,014.39	508.04
Financial Liabilities	(124.02)	2.34	(33.12)	110.49
Non Financial Liabilities	32.54	26.58	(42.35)	(35.85)
Provisions	(0.90)	17.37	2.92	7.78
(IV) Total Changes in Working Capital	**(400.77)**	**1,006.04**	**566.68**	**(1,328.98)**
Cash generated from operations (III+IV)	**462.87**	**2,115.12**	**2,152.36**	**206.17**
Net income tax (paid) / refunds	(108.13)	(155.08)	(275.83)	(273.66)
Net cash flow from / (used in) operating activities (A)	**354.74**	**1,960.03**	**1,876.53**	**(67.49)**
B. Cash flow from investing activities				
Capital expenditure on Property Plant and Equipment	(235.58)	(770.82)	(974.88)	(884.88)
Proceeds from sale of Property Plant and Equipment		2.04	1.51	0.90
Movement in Other Bank Balances	(350.76)	179.67	(337.75)	50.88
(Purchase)/Sale of Investments	-	-	71.82	(26.25)
Interest received	8.75	31.49	13.83	9.09
Net cash flow from / (used in) investing activities (B)	**(577.59)**	**(557.62)**	**(1,225.48)**	**(850.26)**
C. Cash flow from financing activities				
Non Controlling interest	(0.50)	(0.97)	1.39	1.16
Proceeds from Long term borrowings	250.00	499.69	563.82	400.00
Repayment of Long term borrowings	(213.12)	(340.69)	(264.64)	(290.49)
Net Proceeds from Short term borrowings	296.51	(330.08)	(721.77)	862.60
Buy Back of Equity Shares	-	(820.13)	-	-
Buy back Tax	-	(80.40)	-	-
Interest paid	(69.59)	(113.99)	(158.67)	(89.71)
Lease Liabilities:				
Principal	(11.92)	(21.31)	(19.03)	(12.92)
Interest	(3.54)	(8.75)	(9.96)	(8.97)
Dividends paid	-	(17.52)	(15.01)	(12.01)
Tax on dividend	-	(3.60)	(3.09)	(2.45)
Net cash flow from / (used in) financing activities (C)	**247.84**	**(1,237.75)**	**(626.96)**	**847.21**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**24.98**	**164.65**	**24.09**	**(70.55)**
Cash and cash equivalents at the beginning of the year	241.10	76.45	52.36	122.92
Cash and cash equivalents at the end of the year	266.08	241.10	76.45	52.36
	24.98	**164.65**	**24.09**	**(70.55)**
Components of Cash and Cash Equivalents				
Cash on Hand	3.30	3.14	10.60	5.61
Balances with Bank	262.78	237.96	65.85	46.75
Total Balance	**266.08**	**241.10**	**76.45**	**52.36**

Notes:
(i) Figure in brackets denote outflows
Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 40441

Place : Mumbai
Date : 23/02/2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
ED & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : 23/02/2021

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Statement of Changes in Equity for the six month ended September 30, 2020 and years ended March 31, 2020, March 31, 2019 and March 31, 2018.
(All figures are Rupees in Million unless otherwise stated)

A Equity Share Capital

Particulars	Amounts September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Subscribed and Fully Paid up Capital				
Equity shares of Rs 2 each (Refer Note below)				
Opening Balance	450.16	500.45	100.09	100.09
Add: Bonus Shares issued during the year		-	400.36	-
Less: Buyback of shares		(50.29)	-	-
Closing Balance	**450.16**	**450.16**	**500.45**	**100.09**

Equity Share Capital

Particulars	Number of Shares September 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Subscribed and Fully Paid up Capital				
Equity shares of Rs 2 each (Refer Note below)				
Opening Balance	225,081,975	250,227,025	50,045,405	50,045,405
Add: Bonus Shares issued during the year		-	200,181,620	-
Less: Buyback of shares		(25,145,050)	-	-
Closing Balance	**225,081,975**	**225,081,975**	**250,227,025**	**50,045,405**

Note :
Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the Shareholders in their meeting held on November 24, 2020 has approved the split of 1 Equity share of the face value of Rs. 10/- each into 5 equity share of the face value of Rs. 2/- each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 4,50,16,395 equity shares of face value of 10 each to 22,50,81,975 equity shares of face value of Rs.2 each.

The number of bonus shares issued in the year 2018-19 and the number of shares under buy-back in the year 2019-20 are adjusted accordingly to reflect the same at Rs. 2/- each to provide comparability.

B Other Equity

Particulars	Retained Earnings	Capital Reserve	Security Premium Reserve	General Reserve	Capital Redemption Reserve	OCI - Foreign Currency Translation Reserve	Total
INDAS balance as at April 1, 2017	**2,069.27**	**9.55**	**501.09**	**368.05**	**-**	**0.31**	**2,948.30**
Profit for the year	756.95						756.95
Dividend Paid	(12.01)						(12.01)
Dividend Distribution Tax	(2.45)						(2.45)
INDAS 116 Impact Leases	(0.19)						(0.19)
Effects of Foreign Exchange						(0.61)	(0.61)
Re-measurement of net defined benefit plans	3.11						3.11
Others	0.03						0.03
Balance as at 31 March 2018	**2,814.71**	**9.55**	**501.09**	**368.05**	**-**	**(0.29)**	**3,693.13**
Profit for the year	723.91						723.91
Dividend Paid	(15.01)						(15.01)
Dividend Distribution Tax	(3.09)						(3.09)
Effects of Foreign Exchange	0.00					0.42	0.42
Re-measurement of net defined benefit plans	(1.00)						(1.00)
Bonus Issued during the year	(400.36)						(400.36)
Balance as at 31 March 2019	**3,119.16**	**9.55**	**501.09**	**368.05**	**-**	**0.13**	**3,998.00**
Profit for the year	700.75						700.75
Dividend Paid	(17.52)						(17.52)
Dividend Distribution Tax	(3.60)						(3.60)
Buyback tax paid	(80.40)						(80.40)
Re-measurement of net defined benefit plans	(5.29)						(5.29)
Capital redemption reserve	-			(50.29)	50.29		-
Reserves utilised for buyback	-		(501.09)	(268.75)			(769.84)
Effects of Foreign Exchange	-					(3.07)	(3.07)
Balance as at 31 March 2020	**3,713.10**	**9.55**	**-**	**49.02**	**50.29**	**(2.94)**	**3,819.03**
Profit for the six months period	454.84						454.84
Re-measurement of net defined benefit plans	1.00						1.00
Effects of Foreign Exchange						(0.95)	(0.95)
Balance as at 30 September 2020	**4,168.94**	**9.55**	**-**	**49.02**	**50.29**	**(3.89)**	**4,273.92**

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

N Jayendran
Partner
M.No. 40441

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
ED & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : 23/02/2021

Place : Mumbai
Date : 23/02/2021

LAXMI ORGANIC INDUSTRIES LIMITED
CIN: U24200MH1989PLC051736

Statement of Significant Accounting policies and Other Explanatory Notes for restated consolidated financial statements for the six months period ended September 30, 2020 and years ended March 31, 2020, March 31,2019, and March 31, 2018

1. Corporate Information

Laxmi Organic Industries Limited (LOIL or The Company) is the Company, established in 1989 and is in the business of specialty chemicals. The Company primarily manufactures Ethyl Acetate, Acetic Acid and Diketene Derivative Products (DDP). DDP is a specialty chemical group, the technology and business of which has been acquired by LOIL from Clariant Chemicals India Limited.

2. Basis of Preparation, Accounting judgements, estimates and assumptions and significant Accounting Policies:

2.1 Basis of Preparation

- The Restated Consolidated Financial Information of the Company comprises the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2020 , March 31, 2020, March 31, 2019 and March 31, 2018, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the six month period ended September 30, 2020 and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, the Summary Statement of Significant Accounting Policies, and other explanatory information (Collectively, the "Restated Consolidated Financial Information, as approved by the board of directors of the company as their meeting held on February 23, 2021 for the purpose of inclusion in the Red Herring Prospectus ("RHP")/ the Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirement of :
  a) Section 26 of Part I of chapter III of the Companies Act, 2013 ("the Act")
  b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

- Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2017. Accordingly, the financial statements of the Company on and from April 1, 2017 have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (`Act') (to the extent notified). For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). The financial statements for the year ended 31st March, 2018 are the first set of financial statements that the Company has prepared in accordance with Ind AS. Financial Statements for the year 2016-17 were restated to make them comparable with transition date being April 1, 2016.

- The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments as per Note 44 to the information compiled by the management from:
  a) Audited special purpose interim Consolidated Ind AS financial statements of the Company as at and for the six month period ended September 30, 2020 prepared in accordance with recognition and measurement principles of 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 Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on October 30, 2020

  b) Audited Consolidated Ind AS financial statements of the Company as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, prepared in accordance with the Indian Accounting

Standards (referred to as "Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on October 30, 2020, July 15 , 2019 and June 20, 2018 respectively.

- These **Restated** financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

- The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

- In order to have uniformity in accounting policies, all the accounting policies have been applied retrospectively from April 1, 2017 as detailed in note 44.

- The financial statements are presented in Indian Rupees (‘INR’) and all values are rounded to the nearest Millions, except otherwise indicated.

2.2 Principles of Consolidation

- The consolidated financial statements relates to Laxmi Organic Industries Limited and its Subsidiary Companies (referred to as Group) and Joint Venture during the six months ended September 30, 2020 and the years ended March 31, 2020, March 31, 2019 and March 31, 2018. The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 “Consolidated Financial Statement”, Indian Accounting Standard - 28 “Investment in Associate and Joint Ventures" of the Companies (Indian Accounting Standard) Rules 2015. The Consolidated Financial Statements have been prepared on the following basis: -

- The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

- In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All Assets and Liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognized under foreign currency translation reserve.

- The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting dates. 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. Subsidiaries are entities controlled by the Group. 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 off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries, joint ventures and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company.

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

- Associates are entities over which the Group has significant influence but not control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting as per Indian Accounting Standard - 28 ''Investment in

Associate and Joint venture". The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

- The difference between the cost to the Company of its investments in the subsidiary / associates / joint ventures over the Company's portion of equity is recognized in the financial statement as Goodwill on consolidation or Capital Reserve.

- "Under IND AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

- Joint operations: The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

- Joint ventures Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

2.3 The list of subsidiary companies and joint venture included in consolidation and Company's holding therein are as under: -

Name of Company	Effective Interest and Ownership Interest as at			
	September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Subsidiary Companies				
Laxmi Organic Industries (Europe) BV	100%	100%	100%	100%
Laxmi Petrochem Middle East FZE	100%	100%	100%	100%
Cellbion Lifesciences Pvt. Ltd.	100%	100%	100%	100%
Laxmi Lifesciences Pvt. Ltd.	100%	100%	100%	100%
Viva Lifesciences Pvt Ltd.	100%	100%	100%	100%
Saideep Traders	95%	95%	95%	95%
Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (w.e.f. from September 05, 2019)	100%	100%	-	-
Yellowstone Fine Chemicals Private Ltd. (w.e.f. from March 03, 2020)	100%	100%	-	-
Yellowstone Speciality Chemicals Private Ltd. (w.e.f. from April 24, 2020)	100%	-	-	-
Joint Venture				
Suhas Holding Limited (Upto February 15, 2019)	-	-	-	49%

2.4 Business combinations and goodwill

In accordance with IND AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply IND AS accounting for business combinations retrospectively. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment on transition date and at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under other equity, in the consolidated financial statements.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Restated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of Restated financial statements and reported amounts of revenues and expenses during the periods. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the Restated financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the Restated financial statements.

Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Judgements

The Company's management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements, while formulating the Company's accounting policies:

a) **Taxes -**The Company is eligible for 100% tax holiday under section 80-IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the Company.

b) **Defined benefit plans (gratuity benefits) -**The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

Discount rate: The said parameter is subject to change. In determining the appropriate discount rate (for plans operated in India), the management considers the interest rates of government bonds in currencies which are consistent with the post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since that they do not represent high quality corporate bonds.

Mortality rate: It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

c) **Useful lives of property, plant and equipment -** The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

d) **Impairment of property, plant and equipment -** For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

e) **Impairment of investment -** For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

f) **Inventories -**The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

g) **Recognition and measurement of other Provisions -** The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

2.6 Summary of significant accounting policies

a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company'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 between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

i. It is expected to be realised or intended to be sold or consumed in normal operating cycle;
ii. It is held primarily for the purpose of trading
iii. It is expected to be realised within 12 months after the reporting period; or
iv. It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is treated as current when:

i. It is expected to be settled in normal operating cycle;
ii. It is held primarily for the purpose of trading;
iii. It is due to be settled within twelve months after the reporting period; or
iv. There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Property, plant and equipment (PPE)

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

- Long-term lease arrangements of land are treated as Property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

- Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

- The Property, plant and equipment existing on the date of transition on application of Ind AS are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 First-time Adoption of Indian Accounting Standards at previous GAAP carrying value.

c) Intangible assets

- Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

- Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

- Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

- Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

- Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Depreciation methods, estimated useful lives and residual value

- Depreciation on all assets of the Company is charged on Written down Value over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 except in case of Property Plant and Equipment of Distillery unit at Satara which is calculated on straight line method on a pro-rata basis calculated as per useful life of assets mentioned in Schedule II to the Companies Act, 2013.

- Lease hold land is amortized over the period of Lease.

e) Borrowing costs

- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

f) Impairment of Non-financial Assets:

- On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.
- An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

g) Inventories

Items of inventories are valued lower of cost or estimated net realisable value as given below.

- **Raw Materials and Packing Materials:** Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Excise duty and Value Added Tax, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method
- **Work in process:** Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.
- **Finished Goods & semi-finished goods:** Finished Goods & semi-finished goods are valued at lower of cost and net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition. Excise duty is considered as cost for finished goods, wherever applicable.
- **Stores and Spares:** Stores and spare parts are valued at lower of purchase Costs are determined on Weighted Average method and net realisable value.
- **Stock in Trade:** Stock in Trade is valued at lower of purchase cost and net realisable value.

h) Cash and cash equivalents

- Cash and cash equivalents comprise cash on hand and demand deposits with banks, which are short-term, highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

i) Equity investment

- All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

j) Foreign Currency Translation:

- The Company's Restated financial statements are presented in INR, which is also the Company's functional currency.
- Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- Non-monetary items, which are carried at historical cost denominated in a foreign currency, are reported using the exchange rates at the date when the fair value is determined.
- The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.
- The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

k) Provisions, Contingent Liabilities and Contingent Assets

- **Provisions :** The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.
- **Contingent liabilities**: Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.
- **Contingent Assets:** A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Restated financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

l) Onerous contracts

- A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

m) Employee Share – based payment plans ('ESOP')

- The Company accounts for the benefits of Employee share based payment plan in accordance with IND AS 102 Share Based Payments except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in IND AS 101 first time adoption.

n) Fair Value Measurement

- The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

  - In the principal market for the asset or liability, or
  - In the absence of a principal market, in the most advantageous market for the asset or liability

- The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- All assets and liabilities for which fair value is measured or disclosed in the Restated financial 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 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
  Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o) Financial instruments

i. Financial assets

- **Initial recognition and measurement**
  All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

- **Subsequent measurement**
  For purposes of subsequent measurement financial assets are classified in two broad categories:
  - Financial assets at fair value
  - Financial assets at amortized cost

  Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

- **Derecognition of financial instruments**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

- **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables; and all lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii. Financial liabilities

- **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

- **Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

- **Derecognition**

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.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

iv. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement - The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

p) Revenue Recognition

- **Revenue from Operations:** The Company earns revenue primarily from sale of Chemicals. Laxmi Organic Industries is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates

  Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

  Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

  Revenue is recognized at point in time when the performance obligation with respect to Sale of Chemicals or rendering of services to the Customer which is the point in time when the customer receives the goods and services.

  Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates , sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST), where applicable. Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and Customer Category.

Use of significant judgements in revenue recognition

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- **Other Operating Income / Other Income :**

i. Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.
ii. The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.
iii. Revenue in respect of Insurance /other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
iv. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
v. Dividend income is recognised when the right to receive the same is established.
vi. Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.
vii. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.
viii. Financial guarantee income: Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an guarantee income to the Statement of Profit and Loss.

ix. Insurance Claim are accounted when the right to receive is established and the claim is admitted by the surveyor

q) Employee benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements Net interest expense or income and Long-term employee benefits

Compensated absences : which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits : Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value. Termination benefits are recognized as an expense in the period in which they are incurred.

r) Taxes

Tax expenses comprise Current Tax and Deferred Tax.:

i. Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the Consolidated financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

s) Leases

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition i.e. April 1, 2017.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in Profit and loss account.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and Development

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

u) Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI 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.

v) Dividend Distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

w) Trade Payables & Trade Receivables.

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Notes to Restated Consolidated financial statements for the six month ended September 30, 2020 and years ended March 31, 2020, March 31, 2019 and March 31, 2018.
(All figures are Rupees in Million unless otherwise stated)

3 Property, Plant and Equipment

3.1

Particulars	Land covered under finance lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipment's	Computers	Vehicles	Windmill	Tangible Total	Intangible assets
Cost											
As at April 01, 2017	29.37	243.68	204.54	1,727.65	14.45	2.67	7.87	28.47	22.31	**2,281.01**	15.48
Reclassified on account of adoption of IND AS 116	-	(16.53)	-	-	-	-	-	-	-	**(16.53)**	(11.74)
Additions	-	100.03	23.12	880.43	23.18	8.07	2.82	29.04	-	**1,066.68**	0.18
Disposals/Adjustments	-	-	-	-	-	-	(0.28)	(3.14)	-	**(3.42)**	-
Exchange Fluctuation	-	-	-	-	0.14	0.17	0.70	-	-	**1.00**	-
As at 31st March 2018	**29.37**	**327.18**	**227.66**	**2,608.08**	**37.77**	**10.91**	**11.11**	**54.37**	**22.31**	**3,328.74**	**3.92**
Additions	-	186.86	12.97	719.36	14.13	5.58	3.67	6.33	-	**948.91**	10.73
Disposals/Adjustments	-	-	-	-	-	-	-	(6.69)	-	**(6.69)**	-
Exchange Fluctuation	-	-	-	(0.86)	(0.03)	(0.04)	(0.18)	-	-	**(1.11)**	-
As at 31st March 2019	**29.37**	**514.04**	**240.63**	**3,326.58**	**51.87**	**16.45**	**14.60**	**54.01**	**22.31**	**4,269.85**	**14.65**
Additions	-	58.35	0.19	327.37	1.11	1.64	5.09	14.99	-	**408.75**	1.95
Disposals/Adjustments	-	-	-	-	-	-	-	(7.69)	-	**(7.69)**	-
Exchange Fluctuation	-	-	-	-	0.06	0.08	0.34	-	-	**0.48**	-
As at 31st March 2020	**29.37**	**572.39**	**240.82**	**3,653.95**	**53.03**	**18.17**	**20.03**	**61.31**	**22.31**	**4,671.39**	**16.60**
Additions	-	42.35	-	122.89	0.06	-	1.16	-	-	**166.46**	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	**-**	-
Exchange Fluctuation	-	-	-	-	-	-	-	-	-	**-**	-
As at 30th September 2020	**29.37**	**614.74**	**240.82**	**3,776.84**	**53.10**	**18.17**	**21.19**	**61.31**	**22.31**	**4,837.85**	**16.60**
Depreciation											
As at April 01, 2017	0.77	24.47	9.94	226.40	3.88	0.19	3.35	2.03	2.45	**273.48**	3.36
Reclassified on account of adoption of IND AS 116	-	(6.68)	-	-	-	-	-	-	-	**(6.68)**	-2.74
Charge for the Year	0.76	24.29	12.06	231.17	6.05	2.96	2.72	10.71	2.18	**292.91**	0.78
Disposals/Adjustments	-	-	-	-	-	-	(0.28)	(2.37)	-	**(2.65)**	-
Exchange Fluctuation	-	-	-		0.03	0.08	0.70	-	-	**0.81**	-
As at 31st March 2018	**1.53**	**42.08**	**22.00**	**457.57**	**9.96**	**3.23**	**6.49**	**10.37**	**4.63**	**557.86**	**1.40**
Charge for the Year	0.41	37.80	18.40	324.56	7.32	4.19	2.35	14.67	2.25	**411.95**	2.88
Disposals/Adjustments	-	-	-	-	-	-	-	(5.63)	-	**(5.63)**	-
Exchange Fluctuation	-	-	-	-	(0.03)	(0.03)	(0.18)	-	-	**(0.24)**	-
As at 31st March 2019	**1.94**	**79.88**	**40.40**	**782.13**	**17.25**	**7.39**	**8.66**	**19.41**	**6.88**	**963.94**	**4.28**
Charge for the Year	0.41	45.06	14.45	365.90	8.98	4.56	3.92	12.12	1.97	**457.38**	4.54
Disposals/Adjustments	-	-	-	-	-	-	-	(5.52)	-	**(5.52)**	-
Exchange Fluctuation	-	-	-	-	0.06	0.08	0.32	-	-	**0.46**	-
As at 31st March 2020	**2.36**	**124.94**	**54.85**	**1,148.03**	**26.29**	**12.03**	**12.89**	**26.01**	**8.85**	**1,416.26**	**8.82**
Charge for the Period	0.21	21.77	5.84	171.80	3.43	1.35	1.71	5.37	0.86	**212.33**	1.41
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	**-**	-
Exchange Fluctuation	-	-	-		-	-	(0.02)	-	-	**(0.02)**	-
As at 30th September 2020	**2.56**	**146.71**	**60.69**	**1,319.83**	**29.72**	**13.38**	**14.58**	**31.38**	**9.71**	**1,628.56**	**10.23**
NET BLOCK											
As at 31st March 2018	**27.83**	**285.09**	**205.66**	**2,150.51**	**27.81**	**7.67**	**4.62**	**44.00**	**17.68**	**2,770.88**	**2.52**
As at 31st March 2019	**27.42**	**434.16**	**200.23**	**2,544.45**	**34.62**	**9.05**	**5.94**	**34.60**	**15.43**	**3,305.90**	**10.37**
As at 31st March 2020	**27.01**	**447.45**	**185.97**	**2,505.92**	**26.74**	**6.14**	**7.14**	**35.30**	**13.46**	**3,255.13**	**7.78**
As at 30th September 2020	**26.80**	**468.02**	**180.13**	**2,457.01**	**23.38**	**4.79**	**6.62**	**29.93**	**12.60**	**3,209.28**	**6.37**

3.2 **Right of Use Assets**

Class of Assets	Right of Use Assets		Total
	Building	Land	
Cost			
As at 1st April 2017			
Reclassified on account of adoption of IND AS 116		28.27	28.27
Transition impact on account of IND AS 116 "Leases"	9.56	70.79	80.35
Additions	80.87		80.87
Disposals/Adjustments			
As at 31st March 2018	**90.43**	**99.06**	**189.49**
Additions	6.37		6.37
Disposals/Adjustments			
As at 31st March 2019	**96.80**	**99.06**	**195.86**
Additions	0.12	-	0.12
Disposals/Adjustments	-	-	-
As at 31st March 2020	**96.92**	**99.06**	**195.98**
Additions	-	-	-
Disposals/Adjustments	-	-	-
As at 30th September 2020	**96.92**	**99.06**	**195.98**
Depreciation			
Depreciation 1st April 2017	-	-	-
Reclassified on account of adoption of IND AS 116		9.43	9.43
Transition impact on account of IND AS 116 "Leases"	0.96	-	0.96
Charge for the Year	12.19	6.99	19.18
Disposals/Adjustments			-
As at 31st March 2018	**13.15**	**16.42**	**29.57**
Charge for the Year	**18.77**	**6.99**	25.76
Disposals/Adjustments			
As at 31st March 2019	**31.92**	**23.41**	**55.33**
Charge for the Year	19.51	7.45	26.96
Disposals/Adjustments	-	-	-
As at 31st March 2020	**51.43**	**30.86**	**82.28**
Charge for the Year	12.61	0.67	13.28
Disposals/Adjustments	-	-	-
As at 30th September 2020	**64.04**	**31.53**	**95.56**
NET BLOCK			
As at 31st March 2018	**77.28**	**82.64**	**159.92**
As at 31st March 2019	**64.88**	**75.65**	**140.53**
As at 31st March 2020	**45.49**	**68.20**	**113.69**
As at 30th September 2020	**32.89**	**67.53**	**100.42**

3.3 The Company had entered into BOT agreement with Jarandeshwar SSK Ltd, Satara, Maharashtra to put up Distillery Plant (35 KLPD) on land acquired on lease basis from them. As per agreement the company is entitled to operate the Distillery till February-2023 and thereafter to transfer the Distillery to Jarandeshwar SSK Ltd at depreciated value. There is a dispute with regards to the title and the lease agreement which is subjudice before the Debt Recovery Appellate Tribunal (DRAT) on account of action by the Lessor's Bankers. The Company, however has a physical possession of the Distillery Plant and is operating presently.

3.4 Details of Additions made during the period/ year w.r.t Research and Development

Particulars	April to Sept 20	2019-20	2018-19	2017-18
Non Factory Building	-	-	-	23.12
Factory Building	-	1.14	-	
Plant and Machinery	0.92	10.03	10.39	28.39
Computers	0.15	0.11	0.20	0.83
Office Equipment	-	-	-	1.56
Furniture and Fixtures	-	-	-	4.39
Intangibles	-	-	0.00	0.15
Total	**1.07**	**11.28**	**10.60**	**58.44**

(All figures are Rupees in Million unless otherwise stated)

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
		Current			
4.1	**Trade Receivables**				
	(Unsecured, at amortised cost)				
i)	Considered good	3,342.96	3,593.67	3,261.80	3,241.82
ii)	Considered doubtful	57.87	59.25	43.54	8.38
	Less:- Allowance for Credit Loss	(57.87)	(59.25)	(43.54)	(8.38)
	Total	**3,342.96**	**3,593.67**	**3,261.80**	**3,241.82**

(a) Expected Credit Loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. Based on the past experience of receivables the Company has not provided for expected credit loss. However, the life time credit loss is provided on case to case basis.

The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss. In view thereof, the additional disclosures for changes in credit risk and credit impaired are not disclosed.

Movement in Allowance for Credit Loss	As at			
Particulars	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Balance at the beginning of the period	59.25	43.54	8.38	15.02
Addition during the year	-	15.71	43.50	-
Reversal during the year	(1.38)	-	(8.34)	(6.64)
Provision at the end of the period	**57.87**	**59.25**	**43.54**	**8.38**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
		Non- Current			
4.2	**Loans and Advances (Non- Current)(at amortised cost)**				
	(Unsecured, Considered good)				
i)	Security Deposit	83.37	82.53	40.53	29.90
		83.37	**82.53**	**40.53**	**29.90**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
		Current			
4.3	**Loans and Advances (Current) (at amortised cost)**				
	(Unsecured, Considered good)				
i)	Security Deposit	1.91	1.96	1.97	1.95
ii)	Others Loans and advances	-	-	-	8.40
		1.91	**1.96**	**1.97**	**10.35**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
4.4	**Cash and Bank Balances**	Current			
A	**Cash and cash equivalents**				
i)	Balances with banks	262.78	237.96	65.85	46.75
ii)	Cash on hand	3.30	3.14	10.60	5.61
	Total	**266.08**	**241.10**	**76.45**	**52.36**
B	**Other bank balances**				
i)	Fixed Deposits having maturity of more than 3 months	350.00	-	300.00	
ii)	Fixed Deposit against Margin money	199.70	205.99	90.91	-
	Total	**549.70**	**205.99**	**390.91**	**-**
	Grand Total	**815.78**	**447.09**	**467.36**	**52.36**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
4.5	**Other Financial Assets (Non- Current)**	Non- Current			
	(Unsecured considered good unless otherwise stated)				
i)	Advance to Staff	0.65	0.94	1.82	1.22
ii)	Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	16.80	9.75	4.50	57.66
		17.45	**10.69**	**6.32**	**58.88**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
4.6	**Other Financial Assets (Current)**	Current			
	(Unsecured considered good unless otherwise stated)				
i)	Advance to Staff	4.81	1.84	2.18	6.75
ii)	Interest accrued receivable				
	From banks	1.22	1.68	3.49	0.24
	From others	2.95	3.02	0.10	0.98
iii)	Insurance Claim Receivable (*)	40.46	41.51	0.02	0.45
iv)	Amount receivable on hedging transactions	-	47.55	-	-
v)	Other Receivables (**)	281.68	302.38	-	-
vi)	Unbilled revenue	-	5.13	3.44	-
		331.12	**403.11**	**9.23**	**8.42**

(*) Insurance Claim Receivable

During the year 2019-20, the Company's Unit 2 situated at Mahad was affected by floods. The Floods resulted in loss of Inventory and major repairs to Plant and Machinery. The Company made a claim with the Insurer. The Surveyor, pursuant to the survey of the claim and the loss, has approved the loss of Rs 38.47 million towards inventory and repairs cost which is accounted as receivable from Insurance Company. The relevant credits are given to the Inventory consumption and expenditure incurred on repairs

(**) Other Receivables

The amount due are in respect of the electricity duty refund and VAT/CST refunds as detailed in note no. 43

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
5	**Other Assets (Non- Current)**	Non- Current			
i)	Capital Advance	17.32	16.52	18.05	87.69
ii)	Prepaid expenses	1.72	1.84	0.23	0.25
iii)	Prepaid Upfront fees	13.46	16.30	0.32	0.80
iv)	Prepaid taxes (net of provisions)	5.17	3.88	7.36	37.72
v)	Balance with Government Authorities	37.77	41.23	51.92	57.57
vi)	Contribution to Gratuity Fund	-	-	-	2.43
	Total	**75.44**	**79.77**	**77.88**	**186.46**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
6	**Other Assets (Current)**	Current			
i)	Prepaid expenses	46.49	17.04	19.01	18.00
ii)	Balance with Government Authorities	105.53	133.80	435.14	259.60
iii)	Advances to Supplier				
	- Considered good	169.94	316.40	290.28	277.29
	- Considered doubtful	27.72	27.72	27.72	27.72
		197.66	344.12	318.00	305.01
	Less : Impairment of doubtful advances	27.72	27.72	27.72	27.72
		169.94	316.40	290.28	277.29
iv)	Export Incentive receivable	35.77	9.27	28.72	13.21
v)	Export Licenses on hand	1.21	18.90	21.98	27.99
vi)	Other Receivables	7.15	9.12	5.61	0.07
	Total	**366.09**	**504.53**	**800.74**	**596.16**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
7	**Assets held-for-sale**	Current			
i)	**Equity Instruments of Joint Venture**				
	*Suvas Holding of Rs 10 each (March 31, 2018: 65,21,932 Shares)	-	-	-	71.82
	Total	-	-	-	**71.82**

During the year ended March 31, 2019 , the Company has sold Shares of Suvas Holdings Limited to Ravi Goenka and Rajeev Goenka (18,58,329 and 55,74,988 shares respectively) @ Rs 10 per equity share in accordance with valuation report.

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
8	**Inventories**	**Current**			
	(at lower of cost and net realisable value)				
a)	Raw material	690.58	856.92	774.73	993.38
b)	Work-in-progress	42.43	47.95	88.04	42.82
c)	Finished goods	203.88	399.56	393.88	179.55
d)	Consumable Stores and spares	131.12	129.55	111.47	72.36
e)	Fuels and consumables	34.13	10.21	17.09	18.46
f)	Packing Material	10.77	7.38	5.14	6.05
g)	Stock in Trade	149.19	67.32	317.11	145.68
		1,262.10	**1,518.89**	**1,707.46**	**1,458.30**

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of IND AS 2 is as follows:

		Six Months Ended	Year Ended		
		Sep-20	**Mar-20**	**Mar-19**	**Mar-18**
	Particulars				
(i)	Amount of inventories recognised as an expense during the period.	5,864.57	11,238.20	11,142.80	9,882.97
(ii)	Amount of write - down of inventories recognised as an expense during the period.	-	17.56	-	-
		5,864.57	**11,255.76**	**11,142.80**	**9,882.97**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
9	**Equity Share capital**				
i)	**Authorised shares :**				
	Equity Shares of Rs. 2/- each	510.00	510.00	510.00	210.00
	Total	**510.00**	**510.00**	**510.00**	**210.00**
ii)	**Issued , subscribed and Paid-up shares :**				
	Equity Shares of Rs. 2/- each	450.16	450.16	500.45	100.09
	Total paid-up share capital	**450.16**	**450.16**	**500.45**	**100.09**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at			
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Number of Shares			
Authorised shares :	255,000,000	255,000,000	255,000,000	105,000,000
Issued , subscribed and Paid-up shares :				
Balance, beginning of the period	225,081,975	250,227,025	50,045,405	50,045,405
Add: Bonus Shares issued during the year	-	-	200,181,620	-
Less: Buyback of shares during the year	-	(25,145,050)	-	-
Balance, end of the period	**225,081,975**	**225,081,975**	**250,227,025**	**50,045,405**

	As at			
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Amount			
Balance, beginning of the period	450.16	500.45	100.09	100.09
Add: Bonus Shares issued during the year	-	-	400.36	-
Less: Buyback of shares during the year	-	(50.29)	-	-
Balance, end of the period	**450.16**	**450.16**	**500.45**	**100.09**

b) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of Rs. 2 each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

c) Details of shareholders holding more than 5% shares in the Company

Particulars	September 30, 2020		March 31, 2020	
	Number of shares	%	Number of shares	%
Ravi Goenka Trustee of Yellow Stone Trust	200,930,600	89.27%	200,930,600	89.27%

Particulars	March 31, 2019		March 31, 2018	
	Number of	%	Number of	%
Ravi Goenka Trustee of Yellow Stone Trust	200,930,600	80.30%	40,186,120	80.30%
International Finance Corporation (Washington D.C.)	25,145,050	10.05%	5,029,010	10.05%

d) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

e) On January 30, 2019 the Company has issued Bonus shares - (4,00,36,324 shares) to all its existing share holders in the ratio of 4:1 shares at face value of Rs 10/-. The aforesaid issue is made by utilising the balance in Retained Earnings of the Company.

f) On January 01, 2020 the Company completed buy back of 50,29,010 equity shares (of Rs. 10/- each) from International Finance Corporation (IFC), who were the only shareholder who tendered in the offer, at an aggregate value of Rs. 820.11 million. The buyback was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 50,29,010 equity shares of Rs. 10/- each and has created Capital Redemption Reserve of Rs. 50.29 million by debiting balance in General Reserve.

g) Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the Shareholders in their meeting held on November 24, 2020 has approved the split of 1 Equity share of the face value of Rs. 10/- each into 5 equity share of the face value of Rs. 2/- each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 4,50,16,395 equity shares of face value of Rs. 10/- each to 22,50,81,975 equity shares of face value of Rs. 2/- each. The number of bonus shares issued in the year 2018-19 and the number of shares under buy-back in the year 2019-20 are adjusted accordingly to reflect the same at Rs. 2/- each to provide comparability.

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
10	**Other Equity**				
i)	Retained Earnings	4,168.94	3,713.10	3,119.16	2,814.71
ii)	General Reserve	49.01	49.02	368.05	368.05
iii)	Security Premium Reserve	-	-	501.09	501.09
iv)	Capital Reserve	9.55	9.55	9.55	9.55
v)	Other Comprehensive Income	(3.89)	(2.94)	0.13	(0.29)
vi)	Capital Redemption Reserve [Refer note 9(f)]	50.29	50.29	-	-
		4,273.90	**3,819.02**	**3,998.00**	**3,693.11**

		As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
11	**Financial Liabilities (at amortised cost)**	Non- Current			
11.1	**Long term Borrowings**				
(a)	**Term loans :**				
	Rupee Term Loan from Bank	513.89	641.67	422.22	311.11
	Rupee Term Loan from NBFC	252.78	83.33	-	-
	Foreign Currency Loan from Bank	128.94	165.77	239.79	-
	Foreign Currency Loan from Multi Lateral Agency	-	-	69.17	195.13
(b)	**Vehicle loans :**				
	Vehicle Loans - Other than Bank	0.57	1.04	1.92	2.72
(c)	**Government Grant**	6.48	9.72	12.96	22.05
		902.66	**901.53**	**746.06**	**531.01**
	The break-up of above:				
	Secured	896.18	891.81	733.10	508.96
	Unsecured	6.48	9.72	12.96	22.05
		902.66	**901.53**	**746.06**	**531.01**

	As at			
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Current Maturities			
11.2 Current maturities of Long term Borrowings				
(a) Term loans :				
Rupee Term Loan from Bank	230.56	180.56	155.56	88.89
Rupee Term Loan from NBFC	77.78	16.67	-	-
Foreign Currency Loan from Bank	73.68	73.68	36.89	-
Foreign Currency Loan from Multi Lateral Agency (I.F.C.)	-	75.39	138.34	130.09
(b) Vehicle loans :				
Vehicle Loans - Other than Bank	0.92	0.88	0.80	1.09
(c) Government Grant	3.24	3.24	9.09	11.24
	386.18	350.42	340.68	231.31
Less: Disclosed in Other Financial Liabilities (Current)	(386.18)	(350.42)	(340.68)	(231.31)
	-	-	-	-
The break-up of above:				
Secured	382.94	347.18	331.59	220.07
Unsecured	3.24	3.24	9.09	11.24
	386.18	**350.42**	**340.68**	**231.31**

Notes:

A) Term Loan includes :

i) Rupee Term loans from banks (HDFC Bank Ltd):

Tenure of Loan : Max 60 Months
Repayment : 18 Equal Quarterly Installments after a moratorium period of 6 months from the date of 1st disbursement
Interest :
Linked with HDFC Bank 1 Year MCLR + 25 bps for Rs. 50 Crs.
Linked with HDFC Bank 1 Year MCLR + 70 bps for Rs. 20 Crs. and,
Linked with HDFC Bank 1 Year MCLR + 65 bps for Rs. 40 Crs which we availed in the month of Nov 2019

ii) Rupee Term loans from NBFC (AXIS Finance Ltd):

Tenure of Loan : Max 60 Months
Repayment : 18 Equal Quarterly Installments after a moratorium period of 6 months from the date of 1st disbursement with first payment starting from 30th Sept. 2020
Interest : Linked with 1 Year MCLR + 115 bps for sanctioned Term loan of Rs. 75 Crs
Availed Rs. 10 Crs. in the month of Jan'2020

iii) Foreign Currency Term loans from banks (Citi Bank NA, Jersey) :

15 equal quarterly installments in Foreign Currency will start from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.
Converted ECB into INR loan under CCY SWAP on 2 April 2019 at fixed rate of 7.90% p.a.

iv) Foreign Currency Loan from Multi Lateral Agency (I.F.C.):

10 half yearly installments from December 2015 . Interest rate is six months Libor plus 400 bps.

B) Security of Term Loans :

a) First pari passu charge on all present and future movable and immovable Property Plant and Equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2, Mahad Industrial Area , Dist Raigad Maharashtra.
b) First Charge on all present and future movable and immovable Property Plant and Equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area , District. Raigad
c) First Pari Passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra (Note: This is not applicable to loan taken from I.F.C.)
d)Second pari passu charge on entire current assets of the Company.

C) Vehicle Loan:

Vehicle loans are secured against the same vehicle for which loan is taken. Charge on the Vehicle taken during the year is yet be registered.

D) Government Grant

There are multiple Interest free sales tax loans which are repayable in five installments from their due date . The first installment date was May 2009 and last terminal date is May 2023.

E) Maturity Profile of Long term Borrowings:

Particulars	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Instalment payable within one year	386.17	350.40	340.69	231.31
Instalment payable between 1 to 2 years	410.82	355.65	302.62	228.87
Instalment payable between 2 to 5 years	491.85	545.89	443.43	298.90
Instalment payable beyond 5 years	-	-	-	3.24
Total	**1,288.84**	**1,251.95**	**1,086.74**	**762.32**

F) As per the Amendment to Ind AS 7 " Statement of cash flow "

An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Balance as at March 31, 2017	**421.64**	**525.67**	**230.15**	**1,177.46**
Changes from financing cash flows	339.65	862.61	(230.15)	**972.12**
The effect of changes in foreign exchange rates	1.03	-	-	**1.03**
Other changes (transfer within categories)	(231.31)	-	231.31	-
Balance as at March 31, 2018	**531.01**	**1,388.29**	**231.31**	**2,150.61**
Changes from financing cash flows	530.48	(721.77)	(231.31)	**(422.60)**
The effect of changes in foreign exchange rates	25.25	-	-	**25.25**
Other changes (transfer within categories)	(340.68)	-	340.68	-
Balance as at March 31, 2019	**746.06**	**666.52**	**340.68**	**1,753.26**
Changes from financing cash flows	499.68	(330.07)	(340.68)	**(171.07)**
The effect of changes in foreign exchange rates	6.21	-	-	**6.21**
Other changes (transfer within categories)	(350.42)	-	350.42	-
Balance as at March 31, 2020	**901.53**	**336.45**	**350.42**	**1,588.40**
Changes from financing cash flows	190.70	296.51	(153.80)	**333.40**
The effect of changes in foreign exchange rates	-	-	-	-
Other changes (transfer within categories)	(189.57)	-	189.57	-
Balance as at September 30, 2020	**902.66**	**632.95**	**386.18**	**1,921.80**

	As at			
	September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
	Non- Current			
11.3 Lease Liability (Non- Current)				
i) Lease Liability *(Refer note 38)*	66.87	83.57	107.47	122.95
Total	**66.87**	**83.57**	**107.47**	**122.95**

	As at			
	September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
	Current			
11.4 Lease Liability (Current)				
i) Lease Liability *(Refer note 38)*	28.66	23.89	21.30	18.73
Total	**28.66**	**23.89**	**21.30**	**18.73**

	As at			
	September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
	Current			
11.5 Other Financial Liabilities (Current) (at amortised cost)				
i) Current maturity of long term borrowings	386.18	350.42	340.68	231.31
ii) Advance received sale of Investments(*)	-	-	-	56.60
iii) Payable for Capital Goods	74.84	109.85	108.18	69.23
iv) Interest accrued	12.07	14.31	13.06	12.00
v) Deposit received	10.90	10.40	9.60	10.20
vi) Staff Salary and other Payable	32.06	42.34	118.98	131.63
vii) Other Liabilities	0.92	93.73	0.98	7.32
viii) Amount payable on hedging transactions	14.54	-	12.53	0.07
Total	**531.51**	**621.05**	**604.01**	**518.36**

(*) Refer Note 7 for advance received for sale of investment

	As at			
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Non- Current			
12 Provisions (Non- Current)				
i) Provision for employee benefits :				
Leave Encashment	30.77	28.36	21.99	18.47
Total	**30.77**	**28.36**	**21.99**	**18.47**

	As at			
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Current			
13 Provisions (Current)				
i) Provision for employee benefits :				
Leave Encashment	10.41	10.90	10.31	9.10
Gratuity	9.77	14.58	2.87	-
ii) Provision for Sales Return	11.85	10.86	5.66	6.23
iii) Provision for Tax (Net of Advances)	91.02	81.37	67.22	58.15
Total	**123.05**	**117.71**	**86.06**	**73.48**

(a) Disclosure under IND AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

Provision for Sales Return

As at	**Opening Balance**	**Addition during the**	**Utilised during the year**	**Closing Balance**
September 30, 2020	10.86	18.46	17.47	11.85
March 31, 2020	5.66	29.04	23.84	10.86
March 31, 2019	6.23	126.86	127.43	5.66
March 31, 2018	4.81	17.17	15.75	6.23

(b) Disclosures as required by Indian Accounting Standard (IND AS) 19 Employee Benefits- Gratuity

The Company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with IND AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs 2 million (previous year Rs 1 Million) The Company's gratuity liability is entirely funded and leave encashment is non-funded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

Particulars	**September 30, 2020**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
a) Reconciliation of opening and closing balances of Defined benefit Obligation				
Defined Benefit obligation at the beginning of the year	48.04	33.92	26.17	23.44
Current Service Cost	4.27	6.22	4.79	3.56
Interest Cost	1.46	2.52	1.96	1.59
Actuarial (Gain) /Loss-Other Comprehensive Income	(1.00)	5.85	1.00	(3.11)
Past Service Cost	-	0.00	-	1.90
Benefits paid	-	(0.47)	-	(1.21)
Defined Benefit obligation at the year end	**52.77**	**48.04**	**33.92**	**26.17**
b) Reconciliation of opening and closing balances of fair value of plan assets				
Fair Value of plan assets at the beginning of the year	33.48	31.08	28.61	23.03
Investment Income	1.02	2.87	2.16	1.57
Employer Contribution	8.52		0.31	5.22
Benefits Paid	-	(0.47)	-	(1.21)
Fair Value of Plan Assets at the year end	**43.02**	**33.48**	**31.08**	**28.61**
c) Reconciliation of fair value of assets and obligations				
Present value of Defined Benefit obligation	52.77	48.04	33.92	26.17
Fair Value of Plan Assets	43.02	33.48	31.08	28.61
Net Asset / (Liability)	**(9.75)**	**(14.56)**	**(2.84)**	**2.44**
d) Expenses recognized during the year (Under the head " Employees Benefit Expenses)				
In Income Statement	4.71	6.43	4.61	5.48
In Other Comprehensive Income	(1.00)	5.29	1.00	(3.11)
Total Expenses Recognized during the period	**3.71**	**11.72**	**5.61**	**2.37**
e) Actuarial (Gain)/Loss- Other Comprehensive Income	**(1.00)**	**5.29**	**1.00**	**(3.11)**
f) Net liabilities recognised in the balance sheet				
Long-term provisions	-	-	(2.43)	(2.44)
Short-term provisions	9.75	14.56	-	-
	9.75	**14.56**	**(2.43)**	**(2.44)**

ii) Actuarial Assumptions

Particulars	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Discount rate (per annum)	6.15%	6.15%	7.40%	6.80%
Salary growth rate (per annum)	5%	5%	5%	5%
Attrition rate	7%	7%	7%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2006-08	

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate	Mortality Rate
Changes in Assumption				
September 30, 2020 (%)	1%	1%	50%	10%
March 31, 2020 (%)	1%	1%	50%	10%
March 31, 2019 (%)	1%	1%	50%	10%
March 31, 2018 (%)	1%	1%	50%	10%
Increase in assumption				
September 30, 2020	49.46	56.26	52.93	52.78
March 31, 2020	45.04	51.25	48.23	48.05
March 31, 2019	31.96	36.07	34.45	33.94
March 31, 2018	24.56	27.87	26.63	26.18
Decrease in assumption				
September 30, 2020	56.50	49.59	52.26	52.75
March 31, 2020	51.43	45.11	47.53	48.03
March 31, 2019	36.14	31.98	34.45	33.92
March 31, 2018	27.98	24.57	25.42	26.16

(c) Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(i) Interest Rate risk:
The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(ii) Liquidity Risk:
This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(iii) Salary Escalation Risk:
The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iv) Demographic Risk:
The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(v) Regulatory Risk:
Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

(vi) Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

(vii) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Note :

The above information is presented only to the extent of information available for the Indian Companies including LOIL. Disclosure relating to the employee benefits for the overseas components have not been given in the absence of data in required form.

			As at		
14	**Deferred Tax Liability/ Assets**	**September 30, 2020**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
	Deferred Tax Liability on account of :				
i)	Property Plant & Equipment	214.58	179.94	217.58	202.41
ii)	Right of Use (Net)	1.70	1.79	-	0.95
		216.28	**181.73**	**217.58**	**203.36**
	Deferred Tax Asset on account of :				
i)	Minimum Alternate Tax	68.06	24.59	24.59	24.59
ii)	Provision for doubtful advances and debts	10.66	10.73	10.71	11.10
iii)	Tax disallowances	12.91	13.72	11.29	7.94
iv)	Right of Use (Net)	-	-	0.28	-
		91.63	**49.04**	**46.87**	**43.63**
A	**Deferred Tax Liability, net**	**124.65**	**132.69**	**170.71**	**159.73**
	Deferred Tax Liability :	-	-	-	-
		-	-	-	-
	Deferred Tax Asset on account of :				
i)	Deferred Tax Asset of Subsidiaries	15.04	12.60	-	-
		15.04	**12.60**	**-**	**-**
B	**Deferred Tax Asset, net**	**15.04**	**12.60**	**-**	**-**

			As at		
		September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
			Current		
15	**Other Liabilities (Current)**				
i)	Duties and Taxes payable	16.82	25.02	22.15	32.18
ii)	Advance from customers	77.82	37.08	13.37	38.78
iii)	Other Payables	-	-	-	0.89
	Total	**94.64**	**62.10**	**35.52**	**71.85**

			As at		
		September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
			Non Current		
16	**Other Liabilities (Non Current)**				
i)	Guarantee Liability	-	-	-	5.95
	Total	**-**	**-**	**-**	**5.95**

			As at		
		September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
17	**Short Term Borrowings (at amortised cost)**				
	From Banks				
	Cash Credit	139.46	251.34	517.95	1,381.50
	Short term Loans	400.00	-	100.00	-
	Bill Discounting	83.57	75.12	38.87	-
	From Others				
	From Directors	9.92	9.99	9.70	6.78
	Total	**632.95**	**336.45**	**666.52**	**1,388.28**
	Secured	539.46	251.34	517.95	1,381.50
	Unsecured	93.49	85.11	148.57	6.78

Short term loan of Viva Lifesciences Pvt Ltd. of Rs 400 million (As as September 30, 2020)
Charge is Created on Movable Property, Floating Charge and Books Debts and CA, MFA and DSRA.
Primary Security -Exclusive first priority security interest / charge over fixed deposit, Permitted Investments and all monies lying to the credit of DSRA account pursuant DSRA dated 22 May 2020.
The above loans are guaranteed by the holding Company.

Cash Credit of Laxmi Petrochem Middle East FZC (As at September 30, 2020, March 31, 2020, March 31, 2019)
Bank borrowings from City bank are secured against Stand by letter of credit of Citi Bank (India) and carry interest @ 3 month Libor/Eibor + 1.70% per annum.

Cash Credit of Laxmi Organic Industries (Europe) BV (As at March 31, 2020, March 31, 2019, March 31, 2018)
ING finance the outstanding debtors up to a maximum of 90% and is secured by a lien on the outstanding debtors. These facility carry interest rate @ 1 month rate euribor + 1.50%.

Cash Credit of of Laxmi Organic Industries Limited (As at March 31, 2019, March 31, 2018)

Security of Term Loans: First pari-passu charge by way of hypothecation over all the present and future current assets of the Company and Second pari-passu charge over following fixed assets of the Company,

-Fixed assets constituting of Land and Building, Plant & Machinery, and other fixed assets situated at A-22/2/2, A-22/2/3 and A-22/2/3 (Part) at MIDC Mahad, Dist - Raigad, Maharashtra;

-Fixed assets constituting of Land & Building, Plant & Machinery, and other fixed assets situated at Plot No. B/2/2, B-3/1/1 and Plot No. B-3/1/2 at Mahad, Dist- Raigad, Maharashtra.

-Distillery at Satara 795/1, Village Chimangaon, Tal- Koregaon, Dist- Raigad, Maharashtra;

Interest : These facility carry interest rate of 9.25 % to 12 %

		As at			
		September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
18	**Trade Payables (at amortised cost)**				
i)	Micro and Small Enterprise	18.71	39.97	7.15	5.25
ii)	Other than Micro and Small Enterprise	3,074.75	4,076.30	3,148.50	2,136.06
	Total	**3,093.45**	**4,116.27**	**3,155.65**	**2,141.31**

a) Amounts due to Micro, Small and Medium Enterprises

Details of Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly disclosed hereunder.

The information given below regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the Company. This is relied upon by the auditors.

Particulars	**September 30, 2020**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Principal amount due	18.70	39.97	7.15	5.25
Interest due on above	0.01	0.32	0.01	0.00
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006				-
- Principal amount paid beyond appointed day	40.75	85.73	21.97	23.40
- Interest paid thereon	0.13	0.82	0.32	-
Amount of interest due and payable for the period of	0.14	1.14	0.33	0.27
Amount of interest accrued and remaining unpaid as at year end	2.58	2.43	1.29	0.96
Amount of further interest remaining due and payable in the succeeding year	-	-	-	-

		As at			
		September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
19	**Current Tax Liabilities (net)**				
	Current Tax Liabilities (net of taxes paid)	14.68	9.65	27.67	101.94
	Total	**14.68**	**9.65**	**27.67**	**101.94**

		Six Months Ended	Year Ended		
20	**Revenue from Operations**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
i)	**Sales/ Rendering :**				
	- Products	8,060.19	15,217.14	15,527.65	13,822.06
	- Services	35.43	52.29	66.27	26.82
		8,095.62	**15,269.43**	**15,593.92**	**13,848.88**
ii)	**Other Operating Revenue:**				
	Sale of Scrap	2.84	3.43	7.86	5.98
	Export Incentives	35.41	66.05	79.96	54.68
	Income from DEPB purchase at discount	-	2.21	2.20	16.14
	Insurance claim received	0.19	0.11	1.27	5.06
		38.44	**71.80**	**91.29**	**81.86**
	Total	**8,134.06**	**15,341.23**	**15,685.21**	**13,930.74**

Disclosure in accordance with IND AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

		Six Months Ended	Year Ended		
1	**Revenue disaggregation based on :**				
(a)	**Category of good and Services**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
	Chemicals	8,047.92	15,151.90	14,941.69	12,273.61
	Coal	2.97	59.51	568.88	1,531.84
	Others	9.30	10.94	17.07	16.63
	Jobwork and Other Services	35.43	52.29	66.27	26.82
		8,095.62	**15,274.64**	**15,593.91**	**13,848.88**

		Six Months Ended	Year Ended		
(b)	**Geographical region**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
	India	4,979.42	10,390.82	10,010.03	9,914.80
	International	3,116.20	4,883.82	5,583.88	3,934.08
		8,095.62	**15,274.64**	**15,593.91**	**13,848.88**

		Six Months Ended	Year Ended		
2	**Movement in Contract Balances**				
(i)	**Advance from Customers:**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
	Opening Balance	37.07	13.36	38.78	33.60
	Less : Invoices raised/ Adjusted during the year	(20.63)	(11.45)	(35.61)	(20.44)
	Add : Advances received during the year	61.37	35.16	10.19	25.62
	Closing Balance	**77.81**	**37.07**	**13.36**	**38.78**

		Six Months Ended	Year Ended		
(ii)	**Unbilled Revenue:**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
	Opening Balance	5.13	3.44	-	-
	Less : Invoices raised during the year	(5.13)	(3.44)	-	-
	Add : Accrued during the year	-	5.13	3.44	-
	Closing Balance	**-**	**5.13**	**3.44**	**-**

		Six Months Ended	Year Ended		
		Sep-20	**Mar-20**	**Mar-19**	**Mar-18**
21	**Other Income**				
i)	Interest Income on Financial Asset	8.22	32.60	16.20	9.80
ii)	Guarantee Commission	-	-	0.51	0.58
iii)	Interest on Income Tax Refund	-	-	-	0.67
iv)	Sundry balances written back	0.32	3.77	13.77	9.10
v)	Profit on Sale of Property Plant & Equipment		-	0.45	0.14
vi)	Miscellaneous Income	0.76	8.61	23.31	9.72
vii)	Reversal of Expected Credit Loss	0.19	-	0.24	-
viii)	Profit on sale of Investments	-	-	3.54	-
	Total	**9.49**	**44.98**	**58.02**	**30.01**

		Six Months Ended	Year Ended		
22	**Cost of Materials Consumed**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
	Opening Stock of Raw Material	856.92	774.73	993.38	388.82
	Add : Purchases	3,352.24	7,891.79	8,665.51	7,162.75
		4,209.16	8,666.52	9,658.89	7,551.57
	Less : Closing Stock of Raw Material	(690.58)	(856.92)	(774.73)	(993.38)
	Cost of Material Consumed	**3,518.58**	**7,809.60**	**8,884.16**	**6,558.19**

		Six Months Ended	Year Ended		
		Sep-20	Mar-20	Mar-19	Mar-18
23	**Purchase of Stock in trade**				
i)	Chemicals and Other Purchases	2,090.34	2,810.36	1,927.12	2,114.92
ii)	Coal	3.08	60.30	568.88	1,098.04
	Total	**2,093.42**	**2,870.66**	**2,496.00**	**3,212.96**

		Six Months Ended	Year Ended		
24	**Changes in inventories of Finished Goods, Work in progress and Stock in Trade**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
	WIP Inventory at the beginning of the year	47.95	88.04	42.82	30.31
	WIP Inventory at the end of the year	(42.43)	(47.95)	(88.04)	(42.82)
		5.52	40.09	(45.22)	(12.51)
	FG Inventory at the beginning of the year	399.56	393.88	179.55	143.30
	FG Inventory at the end of the year	(203.88)	(399.56)	(393.88)	(179.55)
	Less: Insurance claim	-	(8.67)	-	-
		195.68	(14.35)	(214.33)	(36.25)
	Stock in trade at the beginning of the year	67.32	317.11	145.68	104.63
	Add Foreign Currency Translation Adjustments	5.40	9.93	7.15	20.85
	Stock in trade at the end of the year	(149.19)	(67.32)	(317.11)	(145.68)
		(76.47)	259.72	(164.28)	(20.20)
	(Increase) / Decrease in Excise Duty on Finished Goods				
	Stock at the end of the year	-	-	-	-
	Stock at the beginning of the year	-	-	-	18.31
		-	**-**	**-**	**(18.31)**
		124.73	**285.46**	**(423.83)**	**(87.27)**

		Six Months Ended	Year Ended		
25	**Employee benefit expenses**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
i)	Salaries, wages and bonus	283.07	570.78	474.25	373.18
ii)	Contribution to Employees gratuity , leave encashment and Other Funds	20.97	49.90	47.66	22.45
iii)	Director's Remuneration	46.02	41.45	106.11	115.85
iv)	Staff Welfare Expenses	7.27	23.51	17.31	14.53
	Total	**357.33**	**685.64**	**645.33**	**526.01**

		Six Months Ended	Year Ended		
26	**Finance Costs:**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
i)	Interest on Financial Liabilities at amortised cost	70.89	123.99	160.04	86.69
ii)	Interest on Direct Taxes	0.03	1.21	0.93	7.65
iii)	Interest on Indirect Taxes	0.23	-	0.07	0.23
iv)	Other borrowing costs	0.43	12.92	8.16	2.84
v)	Amortisation of Upfront Fees	2.84	2.07	0.49	0.68
	Total	**74.42**	**140.19**	**169.69**	**98.09**

		Six Months Ended	Year Ended		
27	**Depreciation & amortization**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
i)	Depreciation	212.33	457.38	411.95	292.91
ii)	Depreciation on right of Use	13.28	26.96	25.76	19.18
iii)	Amortisation	1.41	4.54	2.88	0.78
	Total	**227.01**	**488.88**	**440.59**	**312.86**

		Six Months Ended	Year Ended		
28	**Other expenses**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
	Power & Fuels	441.13	984.67	971.47	823.25
	Consumption of Consumables Stores and Spares	50.99	152.61	79.01	114.45
	Consumption of Packing Materials	76.85	119.87	107.46	84.64
	Water Charges	18.02	34.28	32.10	32.46
	Labour Charges	36.36	83.05	62.77	41.98
	Inward Freight Charges	13.28	37.14	58.09	34.45
	Outward Export Freight Charges	130.48	214.92	257.03	225.33
	Clearing and Forwarding Expenses	5.88	9.76	14.88	9.21
	Repairs and Maintenance				
	Buildings	2.93	10.41	13.35	12.39
	Machineries	17.53	34.78	81.79	45.76
	Others	12.87	42.66	39.53	29.09
	Transportation Charges	187.96	312.04	255.40	200.84
	Commission on sales	24.42	11.75	32.01	42.01
	Director's Sitting Fees	0.26	1.26	0.96	0.82
	Commission to Non-Executive Director	1.58	5.73	3.65	3.65
	Conveyance Expenses	1.13	2.87	2.61	2.39
	Donation	0.54	0.42	3.59	2.88
	CSR Expenditure	2.75	0.40	32.36	5.88
	Insurance Charges	29.04	51.74	28.00	22.45
	Professional and Legal Expenses	34.14	122.46	139.04	83.42
	Rent	2.39	6.81	9.33	8.38
	Rates and Taxes	2.12	9.30	12.60	8.19
	Security Service Charges	8.07	16.61	11.32	9.91
	Travelling Expenses	1.41	46.89	52.31	32.11
	Vehicle Expenses	11.71	27.03	25.72	15.52
	Auditors' remuneration	1.46	2.74	2.20	1.71
	Component Auditors Fees	2.00	2.09	1.71	1.66
	Bank Charges	11.55	30.19	19.63	21.58
	Exchange Loss	20.12	40.56	92.23	20.78
	Expected Credit Loss	-	11.35	39.43	0.36
	Loss on sale of assets	-	0.12	-	-
	Miscellaneous expenses (Refer Note ii below)	37.10	127.88	69.12	93.88
	Total	**1,186.07**	**2,554.39**	**2,550.70**	**2,031.42**

Notes :

		Six Months Ended	Year Ended		
i)	**Particulars**	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
	Payments to the auditors comprises (net of input tax credit, where applicable) :				
	To Statutory auditors				
	For audit including consolidation	1.13	2.25	1.55	1.14
	For limited review	0.25	0.38	0.23	0.28
	For certification and other services	0.08	0.11	0.42	0.29
		1.46	**2.74**	**2.20**	**1.71**

ii) **The following expenses have been clubbed under Miscellaneous expenses on account of the low value :**

Particulars	Six Months Ended	Year Ended		
	Sep-20	**Mar-20**	**Mar-19**	**Mar-18**
Advertisement	0.41	1.44	0.58	0.51
Books and Periodicals	0.01	0.05	0.64	0.18
Business Promotion Expenses	3.71	10.78	7.10	14.51
Computer Maintenance	5.57	9.44	10.40	6.64
General Expenses	2.12	16.61	6.14	10.65
Inspection charges	2.33	4.49	3.14	0.46
Membership & Subscription	6.35	10.33	5.79	27.74
Postage & Telegram	0.39	2.52	2.74	2.90
Printing & Stationery	1.36	4.01	4.22	3.28
Telephone Expenses	3.28	5.66	5.31	6.24
Indirect taxes paid/Written off	1.15	6.11	4.95	8.61
Other Expenses	10.42	56.44	18.11	12.16
	37.10	**127.88**	**69.12**	**93.88**

29 **Tax Expense**

a) **Income tax expense in the statement of profit and loss consists of:**

	Six Months Ended	Year Ended		
	Sep-20	**Mar-20**	**Mar-19**	**Mar-18**
Current Tax	117.64	159.41	241.45	306.65
Deferred tax	(10.49)	(50.61)	10.99	69.54
Income Tax (Excess)/Short Provision of previous year	-	(2.90)	(0.46)	-
Income tax recognised in statement of profit or loss	**107.15**	**105.90**	**251.98**	**376.19**

b) **The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows**

	Particulars	Six Months Ended	Year Ended		
		Sep-20	**Mar-20**	**Mar-19**	**Mar-18**
A	**Current Tax**				
	Accounting profit before Tax	561.99	808.02	975.89	1,133.14
	Non Taxable Profit/(Loss)	(70.28)	(100.87)	(64.08)	1.24
	Taxable Profit/(Loss)	632.26	908.89	1,039.97	1,131.89
	Enacted tax rates in India (%)	34.94%	34.94%	34.94%	34.61%
	Enacted tax rates for Foreign Subsidiary (%)	20.54%	20.54%	20.54%	20.54%
	Computed expected tax expenses	220.94	317.60	363.41	391.73
	Effect of non- deductible expenses	82.84	191.42	162.06	113.39
	Effects of deductible Expenses	(88.73)	(207.25)	(156.13)	(137.95)
	Non Taxable effects	(97.41)	(186.96)	(130.19)	(64.28)
	Tax of Foreign Subsidiary	0.01	-	2.30	3.77
	Income tax expenses - Net (A)	**117.64**	**114.82**	**241.45**	**306.65**
	Tax liability as per Minimum Alternate Tax on book profits				
	Minimum Alternate Tax rate	17.47%	17.47%	21.55%	21.34%
	Computed tax liability on book profits	98.19	158.78	224.11	241.83
	Tax effect on adjustments:				
	1/5 portion of Opening IND AS Reserve as on March 31, 2017	(0.36)	(0.73)	(0.90)	0.82
	Effect of non deductible expense	-	0.42	0.63	15.78
	Others	-	0.93	-	-
	Minimum Alternate Tax on Book Profit (B)	**97.83**	**159.41**	**223.85**	**258.43**
	Higher of A or B	**117.64**	**159.41**	**241.45**	**306.65**

B **Deferred Tax**

Deferred tax assets/(liabilities) in relation to:-

Particulars	**Opening**	**Recognised in profit and loss**	**Closing**
Property Plant & Equipment	135.52	66.89	202.41
Right of Use (Net)	-	0.95	0.95
Minimum Alternate Tax	(24.59)	-	(24.59)
Provision for doubtful advances and debts	(13.50)	2.40	(11.10)
Tax disallowances	(7.21)	(0.73)	(7.94)
Preliminary expenses	(0.02)	0.02	-
As at March, 31, 2018	**90.19**	**69.53**	**159.73**
Property Plant & Equipment	202.41	15.17	217.58
Right of Use (Net)	0.95	(1.23)	(0.28)
Minimum Alternate Tax	(24.59)	-	(24.59)
Provision for doubtful advances and debts	(11.10)	0.39	(10.71)
Tax disallowances	(7.94)	(3.35)	(11.29)
As at March, 31, 2019	**159.73**	**10.98**	**170.71**
Property Plant & Equipment	217.58	(37.64)	179.94
Right of Use	(0.28)	2.08	1.79
Minimum Alternate Tax	(24.59)	(0.00)	(24.59)
Provision for doubtful advances and debts	(10.71)	(0.02)	(10.73)
Tax Disallowances	(11.29)	(2.43)	(13.72)
Deferred Tax Assets of Subsidiaries	-	(12.60)	(12.60)
As at March, 31, 2020	**170.70**	**(50.61)**	**120.10**
Property Plant & Equipment	179.94	34.64	214.58
Right of Use	1.79	(0.09)	1.70
Minimum Alternate Tax	(24.59)	(43.47)	(68.06)
Provision for doubtful advances and debts	(10.73)	0.06	(10.66)
Tax disallowances	(13.72)	0.81	(12.91)
Deferred Tax Assets of Subsidiaries	(12.60)	(2.44)	(15.04)
As at September, 30, 2020	**120.10**	**(10.49)**	**109.61**

30 Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	Six Months Ended Sep-20	Year Ended Mar-20	Mar-19	Mar-18
Net Profit / (Loss) as per Statement of Profit and Loss	454.84	700.75	723.91	756.95
Outstanding equity shares at period end	225,081,975	225,081,975	250,227,025	50,045,405
Weighted average Number of Shares outstanding during the period – Basic	225,081,975	244,712,429	250,227,025	250,227,025
Weighted average Number of Shares outstanding during the period - Diluted	225,081,975	244,712,429	250,227,025	250,227,025
Weighted average number of shares as per para 26 of IND AS 33" Earning per Share"	225,081,975	244,712,429	250,227,025	250,227,025
Earnings per Share - Basic (Rs.) - Refer Note (a) below	2.02	2.86	2.89	3.03
Earnings per Share - Diluted (Rs.) -Refer Note (a) below	2.02	2.86	2.89	3.03

Reconciliation of weighted number of outstanding during the period:

Particulars	Six Months Ended Sep-20	Year Ended Mar-20	Mar-19	Mar-18
Nominal Value of Equity Shares (Rs per share)	2.00	2.00	2.00	2.00
For Basic EPS :				
Total number of equity shares outstanding at the beginning of the period	225,081,975	250,227,025	50,045,405	50,045,405
Add : Issue of Equity Shares	-	-	200,181,620	-
Less : Buyback of Equity Shares	-	(25,145,050)	-	-
Total number of equity shares outstanding at the end of the period	**225,081,975**	**225,081,975**	**250,227,025**	**50,045,405**
For Basic EPS :				
Weighted average number of equity shares at the end of the period	225,081,975	244,712,429	250,227,025	250,227,025
For Dilutive EPS :				
Weighted average number of shares used in calculating basic EPS	225,081,975	244,712,429	250,227,025	250,227,025

Note :

i) Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the Shareholders in their meeting held on November 24, 2020 has approved the split of 1 Equity share of the face value of Rs. 10/- each into 5 equity share of the face value of Rs. 2/- each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 4,50,16,395 equity shares of face value of 10 each to 22,50,81,975 equity shares of face value of Rs.2 each.

In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

ii) Basic EPS and Diluted EPS for the six month period ended 30 September, 2020 are not annualized.

iii) The number of bonus shares issued in the year 2018-19 and the number of shares under buy-back in the year 2019-20 are adjusted accordingly to reflect the same at Rs. 2/- each to provide comparability.

31 Details of research and development expenditure

Particulars	Six Months Ended Sep-20	Year Ended Mar-20	Mar-19	Mar-18
Revenue Expenditure				
Employee benefits expense	15.59	29.27	14.05	16.08
Legal & Professional fees	3.97	3.90	4.48	4.08
Other expenses	1.99	3.87	0.46	0.52
Utility Expenses	0.78	3.14	-	-
Travelling Expenses	1.70	3.30	-	-
Contract Labour and Security Service Charge	1.60	3.11	-	-
Subscription	1.67	2.61	-	-
Repairs & Maintenance	2.96	9.18	-	-
Depreciation	9.59	16.49	1.61	5.18
Capital Expenditure				
Capital expenditure [Refer note 3.4]	1.07	11.28	10.60	58.44
Total	**40.92**	**86.15**	**31.20**	**84.30**

32 Contingent liabilities and commitments (to the extent not provided for)

	Particulars	Six Months Ended	Year Ended		
		Sep-20	Mar-20	Mar-19	Mar-18
(i)	**Contingent liabilities**				
	(a) Liabilities Disputed - Appeals filed with respect to :				
	(i) Disputed Excise/ Custom Matters in Appeals	7.51	7.51	-	-
	(ii) Income Tax on account of Disallowances / Additions and default of TDS	4.71	4.71	17.43	5.44
	(iii) VAT credits disallowed by the authorities against which the Company has preferred appeals.	4.29	4.29	2.33	2.33
	(b) Guarantees:				
	(i) Given on behalf of WOS to their Vendors	-	-	116.55	106.64
	(ii) Given on behalf of WOS to their Lenders	1,700.00	-	-	-
	(iii) Furnished by banks on behalf of the Company	45.08	38.02	75.60	98.00
	(c) Other money for which the Company is contingently liable (give details)				
	(i) Standby letter of credit given on behalf of WOS	321.02	327.93	300.90	282.94
(ii)	**Commitments**				
	(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	37.16	26.45	35.52	218.03
	(b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	1,835.72	240.70	1,113.58	770.96
(iii)	**Letters of Credit**	580.16	755.98	504.88	657.65

33 **Disclosure in accordance with IND AS – 108 “Operating Segments”, of the Companies (Indian Accounting Standards) Rules, 2015.**

The Group is engaged in ‘chemicals business’ and 'power generation' segment. During the year ended March 31, 2020 , March 31, 2019, and March 31, 2018 the power generation business does not meet the criteria mentioned in para 13 of the Indian Accounting Standard "Operating Segment " (IND AS 108) and hence the same is not separately disclosed.

During the six months period ended September 30, 2020 ,year ended March 31, 2020, March 31, 2019 and March 31, 2018 there is no single customer contributing to more than 10% of the total sales for such period / year.

34 **Disclosure in accordance with IND AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules,**

Details are given in Annexure -1

35 **Details Of Loans Given, Investments Made And Guarantee Given Covered U/S 186 (4) Of The Companies Act, 2013:**

The following is the details of the Loans, Investments and Guarantees given by the Company to the Subsidiary Companies and Joint Venture (JV) Company.

Sr. No.	Particulars	As at			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
1	Suvas Holdings Limited - JV (Investment)	-	-	9.16	24.56
2	Suvas Holdings Limited - JV (Corporate Guarantee)	-	-	-	26.02
3	Viva Lifesciences Private Limited (Loan)	243.75	483.90	-	-
4	Laxmi Organic Industries (Europe) B.V.- WOS (Corporate Guarantee)	-	-	116.55	80.62
5	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (Investment)	-	2.98	-	-
6	Yellowstone Fine Chemicals Private Ltd. (Investment)	-	1.00	-	-
7	Laxmi Lifesciences Private Limited (Loan)	-	0.03	-	-
8	Yellowstone Speciality Chemicals Private Ltd. (Investment)	1.00	-	-	-
9	Viva Lifescience Private Limtied (Corporate Guarantee)	1,700.00	-	-	-

36 **Disclosure on CSR Activity**

(a) Gross amount required to be spent by the Company during

Particulars	Year Ended			
	2020-21	2019-20	2018-19	2017-18
	23.38	22.29	17.05	21.49

(b) Amount spent by the Company during the year is as follows :

Particulars	Six Months Ended	Year Ended		
	Sep-20	Mar-20	Mar-19	Mar-18
Community		0.40	0.20	3.16
Medical & Health	2.25	-	0.27	0.06
Education		-	0.66	1.09
CSR Corpus	0.50	-	31.33	1.50
Environment				0.04
Sports				0.03
Total	**2.75**	**0.40**	**32.46**	**5.88**

37 **Derivative Instruments and Unhedged / Hedge Foreign Currency Exposure**

Details on unhedged foreign currency exposures

Particulars	As at September 30, 2020		As at March 31, 2020	
	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable (USD)	36,961	2.79	1,533,468	115.60
Trade Receivable (EURO)	-	-	86,984	7.22
Advance from Customers (USD)	73,537	5.54	238,901	18.01
Advance from customer (EURO)	41,355	3.43	-	-
Advances to suppliers - USD	1,550	0.12	637,118	48.03
Interest payable (USD)	-	-	18,642	1.41
Trade and Other payable (USD)	1,953,457	147.26	4,660,256	351.32
Trade and Other payable (CHF)	41,500	3.31	-	-
Trade and Other payable (EURO)	4,182,722	347.37	288	0.02
Investment in Pref shares (EURO)	2,000,000	166.10	-	-
Borrowings (USD)	3,733,333	281.44	166,667	12.56

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable (USD)	1,682,432	112.65	3,882,900	252.56
Trade Receivable (EURO)	-	-		-
Interest receivable (USD)			142,027	0.92
Advances to suppliers - USD	1,667,935	115.43		-
Loans and Advances Given (EURO)		-	39,800	0.32
Loans and Advances Given (AED)		-		-
Advance from Customers (USD)	231,259	16.08		-
Advance from customer (EURO)		-		-
Interest payable (USD)	97,576	6.75	85,541	0.56
Trade and Other payable (USD)	762,044	37.78	8,933,351	58.11
Trade and Other payable (EURO)		-		-
Trade and Other payable (CHF)	7,880	0.54		-
Investment in Pref shares (EURO)		-		-
Borrowings (USD)	6,000,000	413.12	9,720,588	63.23

Details on hedged foreign currency exposures	As at September 30, 2020		As at March 31, 2020	
	Foreign Currency	INR	Foreign Currency	INR
Forwards - USD - Sales	2,420,919	16,775	3,715,496	280.10
Forwards - EURO - Sales	4,165,986	33,863	633,373	52.60
Forwards - USD Purchase	24,056,390	166,696	29,806,535	2,246.99
Options - USD - Buy	-	-	4,300,000	324.16

	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency	INR	Foreign Currency	INR
Forwards - USD - Sales	4,638,435	324.57	42,554	2.78
Forwards - EURO - Sales	4,012,581	315.73	1,000,000	83.46
Forwards - USD Purchase	27,707,500	1,931.50	7,819,855	510.90
Options - USD - Buy	1,000,000	71.08	-	-

	As at September 30, 2020		As at March 31, 2020	
Details on Interest rate swap on Borrowings	Foreign Currency	INR	Foreign Currency	INR
Interest Rate Swap - USD	611,111	42.78	722,222	53.28

	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency	INR	Foreign Currency	INR
Interest Rate Swap - USD	944,444	68.12	-	-

38 **IND AS 116 "Leases"**

A **Transition**

Effective April 1, 2019, the Company adopted IND AS 116 - which sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires Lessees to account for leases in a manner similar to accounting for finance leases under erstwhile IND AS 17.

For the purpose of this restated financial statement The Company adopted IND AS 116 "Leases" from April 1, 2017 using the modified retrospective method. Accordingly the comparative figures for each of the years presented in these restated consolidated financial information have been adjusted in accordance with the policy mentioned in Notes to Restated Consolidated Financial Information. The cumulative adjustment on application of this Standard has been adjusted to retained earnings as at April 1, 2017. Thus the Company has recognised 'Right of Use' asset of Rs 189.49 million (including 99.06 million reclasification) and consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount considering the standard had been applied at the date of initial application i.e. April 1, 2017, discounted at the Company’s incremental borrowing rate at that date. IND AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

B The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

C Impact on Restated Consolidated Summary Statement of Assets and Liabilities (increase/(decrease))

	Six Months Ended	Year Ended		
Assets	**Sep-20**	**Mar-20**	**Mar-19**	**Mar-18**
Right-of-use (ROU)	-	-	123.46	141.97
Prepaid Rent	-	-	(4.32)	(5.26)
Total Assets	**-**	**-**	**119.14**	**136.71**
Equity				
Retained earnings	-	-	(9.35)	(5.92)
Total	**-**	**-**	**(9.35)**	**(5.92)**
Liability				
Lease liabilities	-	-	128.77	141.68
Deferred tax liabilities (net)			(0.28)	0.95
Total	**-**	**-**	**128.49**	**142.63**
Total Equity & Liability	**-**	**-**	**119.14**	**136.71**

D Movement in Right of Use assets - Refer Note 3.2

E Below are the carrying amounts of lease liabilities and the movements.

	Six Months Ended	Year Ended		
	Sep-20	**Mar-20**	**Mar-19**	**Mar-18**
Balance at the beginning	107.46	128.77	141.68	-
Transition impact on account of IND AS 116 "Leases"	-	-	-	79.58
Addition	-	-	6.12	75.03
Finance Cost During the year	3.54	8.75	9.96	8.97
Payment of Lease Liability	(15.46)	(30.06)	(28.99)	(21.90)
Total	**95.54**	**107.46**	**128.77**	**141.68**
Current	28.66	23.89	21.30	18.73
Non Current	66.87	83.57	107.47	122.95
Total	**95.53**	**107.46**	**128.77**	**141.68**

The weighted average incremental rate applied to lease liabilities as at April 1, 2017 is 7.5% p.a.

F The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

G Undiscounted Contractual maturities of Lease Liability:

Particulars	**As at**			
	September 30, 2020	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Less than one year	30.81	30.97	30.05	28.99
One to two years	24.33	30.66	30.97	30.05
Two to five years	33.29	37.62	58.93	79.64
More than five years	28.81	33.49	42.83	53.10
Total	**117.24**	**132.74**	**162.78**	**191.78**

39 **Financial Instruments**

i) **The carrying value and fair value of financial instruments by categories as at September 30, 2020, March 31, 2020, March 31, 2019, and March 31, 2018 is as follows**

		September 30, 2020		March 31, 2020	
		Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
a)	**Financial Assets**				
	Amortised Cost				
	Loans	85.28	85.28	84.49	84.49
	Others	348.57	348.57	413.80	413.80
	Trade receivables	3,342.96	3,342.96	3,593.67	3,593.67
	Cash and cash equivalents	266.08	266.08	241.10	241.10
	Other Bank Balances	549.70	549.70	205.99	205.99
	Total Financial Assets	**4,592.59**	**4,592.59**	**4,539.05**	**4,539.05**
b)	**Financial Liabilities**				
	Amortised Cost				
	Borrowings	1,535.61	1,535.61	1,237.98	1,237.98
	Trade payables	3,093.45	3,093.45	4,116.27	4,116.27
	Lease Liability	95.53	95.53	107.46	107.46
	Others	531.51	531.51	621.05	621.05
	Total Financial Liabilities	**5,256.10**	**5,256.10**	**6,082.76**	**6,082.76**

		March 31, 2019		March 31, 2018	
		Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
a)	**Financial Assets**				
	Amortised Cost				
	Loans	42.50	42.50	40.25	40.25
	Others	15.55	15.55	67.30	67.30
	Trade receivables	3,261.80	3,261.80	3,241.82	3,241.82
	Cash and cash equivalents	467.36	467.36	52.36	52.36
	Total Financial Assets	**3,787.21**	**3,787.21**	**3,401.74**	**3,401.74**
b)	**Financial Liabilities**				
	Amortised Cost				
	Borrowings	1,412.58	1,412.58	1,919.30	1,919.30
	Trade payables	3,155.65	3,155.65	2,141.31	2,141.31
	Lease Liability	128.77	128.77	141.68	141.68
	Others	604.01	604.01	518.36	518.36
	Total Financial Liabilities	**5,301.01**	**5,301.01**	**4,720.65**	**4,720.65**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

40 **Fair Value Hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2020 and March 31, 2019.

		Fair Value measurement using		
Particulars	**Date of Valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial liabilities measured at fair value:				
Forward Contracts	30-Sep-20	-	14.54	-
Forward Contracts	31-Mar-20	-	(47.55)	-
Forward Contracts	31-Mar-19	-	12.53	-
Forward Contracts	31-Mar-18	-	0.07	-

41 **Financial Risk Management**

The Company is exposed to various financial risks arising from its underlying operations and finance activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Company’s Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management, the Finance Committee and the Board of Directors. The Company has a Forex Risk Management policy under which all the forex hedging operations are done. The Company's policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function. The objective of financial risk management is to manage and control financial risk exposures within acceptable parameters, while optimising the return.

The Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

1) **Market Risk**

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument 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 includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

A) **Foreign Currency Risk**

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company’s operating activities and financing activities. In the operating activities, the Company’s exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the Net exposure based on a duly approved policy by the Board. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR). The Company’s exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency are as follows:

	Assets			
	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
USD	38,511	2,170,586	3,350,367	4,024,927
EUR	-	86,984	-	39,800
AED	-	-	-	-
CHF	-	-	-	-

	Liabilities			
	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
USD	5,760,328	5,084,465	7,090,880	18,739,480
EUR	70,404	288	-	-
AED	2,153,673	-	-	-
CHF	41,500	-	7,880	-

Foreign Currency Sensitivity analysis:

The Company is mainly exposed to USD and EURO fluctuations

The following table details the Company's sensitivity to a 1% increase and decrease in the Rupee against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	As at September 30, 2020		As at March 31, 2020	
Impact on profit/(loss) for the year	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
USD	4.27	(4.27)	2.10	(2.10)
EUR	1.83	(1.83)	(0.07)	0.07
AED	-	-	(0.12)	0.12
CHF	0.03	(0.03)	-	-

	As at March 31, 2019		As at March 31, 2018	
	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
USD	2.56	(2.56)	14.43	(14.43)
EUR	-	-	(0.30)	0.30
AED	-	-	-	-
CHF	(0.06)	0.06	-	-

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging the financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 12 months for hedges of projected sales, purchases and capital expenditures. When a derivative contract is entered for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of projected transactions, the derivatives cover the period of exposure from the point the cash flows of the said transactions are projected to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

B) Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. Out of the total borrowings, the amount of fixed interest loan is Rs. 11.21 million and floating interest loan is Rs. 1,677.61 million (March 31, 2019: Fixed interest loan Rs 14.88 million and Floating interest loan Rs. 1237.06 million). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonably change in interest rates on the borrowings:

	September 30, 2020		2019-20	
	Rupee loans interest rate decreases by 1.00 %	USD loans interest decreases by 0.15%	Rupee loans interest rate decreases by 1.00 %	USD loans interest decreases by 0.15%
Increase in Profit	10.75	0.30	9.22	0.47

	September 30, 2020		2019-20	
	Rupee loans interest rate increase by 1.00 %	USD loans interest Increase by 0.15%	Rupee loans interest rate increase by 1.00 %	USD loans interest Increase by 0.15%
Decrease in Profit	(10.75)	(0.30)	(9.22)	(0.47)

	2018-19		2017-18	
	Rupee loans interest rate decreases by 1.00 %	USD loans interest decreases by 0.15%	Rupee loans interest rate decreases by 1.00 %	USD loans interest decreases by 0.15%
Increase in Profit	5.78	0.73	4.00	0.49

	2018-19		2017-18	
	Rupee loans interest rate increased by 1.00 %	USD loans interest increased by 0.15%	Rupee loans interest rate increased by 1.00 %	USD loans interest increased by 0.15%
Decrease in Profit	(5.78)	(0.73)	(4.00)	(0.49)

C) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

To manage trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

	As At September 30, 2020	As At March 31, 2020	As At March 31, 2019	As At March 31, 2018
Trade receivables *(Refer Note 4.1)*	3,342.96	3,593.67	3,261.80	3,241.82
Allowances for Credit Loss *(Refer Note 4.1 (a))*	57.87	59.25	43.54	8.38

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur

D) Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility using money market instruments, bank overdrafts, bank loans and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director and , Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given, and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available to its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyse the Company's financial liabilities into relevant maturity Companying's based on their contractual maturities:

	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at September 30, 2020				
Borrowings*	1,019.11	410.82	491.85	-
Trade Payables	3,093.45	-	-	-
Other financial Liabilities	145.33	-	-	-
	4,257.89	**410.82**	**491.85**	**-**
As at March 31, 2020				
Borrowings*	686.86	355.65	545.89	-
Trade Payables	4,116.27	-	-	-
Other financial Liabilities	270.63	-	-	-
	5,073.76	**355.65**	**545.89**	**-**

As at March 31, 2019				
Borrowings*	666.54	302.62	443.43	-
Trade Payables	3,155.65	-	-	-
Other financial Liabilities	604.01	-	-	-
	4,426.20	**302.62**	**443.43**	**-**
As at March 31, 2018				
Borrowings*	1,619.59	228.87	298.90	3.24
Trade Payables	2,141.25	-	-	-
Other financial Liabilities	287.06	-	-	-
	4,047.90	**228.87**	**298.90**	**3.24**

* including Current Maturity of non current borrowing

Note - Maturity profile of Lease liability is given in Note 37(f)

42 **Capital management**

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

Particulars	**September 30,2020**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Gross Debt	1,921.79	1,588.40	1,412.58	746.04
Less:				
Cash and Cash Equivalent	266.08	241.10	76.45	52.36
Other Bank Balance	549.70	205.99	390.91	-
Net debt (A)	**1,106.01**	**1,141.31**	**945.22**	**693.68**
Total Equity (B)	**4,724.06**	**4,269.18**	**4,498.45**	**3,793.20**
Gearing ratio (A/B)	**0.23**	**0.27**	**0.21**	**0.18**

43 **Exceptional Items**

During the year the Company has received Eligibility Certificates from Directorate of Industries, Government of Maharashtra under the Package Scheme of Incentive - 2007 for Electricity Duty exemption and Package Scheme of Incentive - 2013 Vat and CST refunds.

(a) ***Electricity Duty***

Pursuant to the terms of the Eligibility Certificates the Company is exempted from paying the Electricity duty from 15 years starting from 1st April 2010 till 31st March 2025. Accordingly, MSEDCL has granted the exemption to the Company from paying the electricity duty w.e.f. Oct-2019 and the electricity duty exemption got reflected in October 2019 Electricity Bill. Simultaneously, the MSEDCL has also confirmed the refund of the total electricity duty amounting to Rs 152.25 million ("Electricity Duty Refund") which the Company has paid from 1st April 2010 till 30th September 2019. Accordingly, although the Electricity Duty Refund has not yet been received by the Company, the same has been accounted as an exceptional item which pertains to period April 2010 to Sept 2019.

(b) ***Vat and CST Refunds***

Pursuant to the terms of the Eligibility Certificates the Company is eligible to get refund of the VAT and CST which the Company has paid during the period between 1st October 2014 to 31st March 2017). Accordingly, the Directorate of Industries has issued the Provisional Sanction of Industrial Promotion Subsidy dated February 18, 2020 whereby refund of Rs. 150.14 million has been sanctioned by the Directorate of Industries and VAT Department. The Company has recognised income of Rs. 150.14 million as an exceptions item in Statement of profit and loss.

44 **Statement On Adjustment to Restated Consolidated financials**

The summary of changes made in these restated Consolidated financial statements as compared to audited Consolidated financials statements is as follows.

The restatement are only on account of adoption of Ind AS 116 which has been for the purposes of restatement financial statement effective April 1, 2017

	Particulars	**September 30, 2020**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
A)	**Total comprehensive income for the period as per Audited Financial Statements**	455.84	697.11	726.34	765.80
	Adjustment for IND AS 116:				
	Amortization of ROU	-	-	(24.89)	(18.30)
	Interest on Lease liability	-	-	(9.96)	(8.97)
	Reversal of Rent Expenses	-	-	30.18	22.48
	Deferred tax Impact	-	(0.28)	1.23	(0.95)
B)	**Total Adjustment for IND AS 116**	**-**	**(0.28)**	**(3.43)**	**(5.74)**
C)	**Total Restated comprehensive income for the year (A+B)**	**455.84**	**696.83**	**722.91**	**760.06**
D)	**Closing Retained Earnings as per Audited Financial Statements**	4,168.94	3,713.10	3,128.51	2,820.63
	Transition Impact of IND AS 116 (Including Reversal in subsequent Periods)	-	9.64	-	(0.19)
	Cumulative Adjustment for IND AS 116	-	(9.64)	(9.35)	(5.74)
E)	**Total**	**-**	**-**	**(9.35)**	**(5.92)**
F)	**Closing Restated Retained Earnings**	**4,168.94**	**3,713.10**	**3,119.16**	**2,814.71**

45 For the purpose of this restated financial statement the Company adopted IND AS 115, " Revenue from Contracts with Customers" retrospectively from April 1, 2017 . The retrospective adoption of IND AS 115 did not have any impact. Refer note 2(B)(q) for the accounting policies followed pursuant to adoption of IND AS 115.

46 **Disclosure as per Schedule III of the Companies Act 2013 of the entities consolidated in these Financial Statements**

April 2020 - September 2020

Name of the Enterprise	Net Assets i.e. Total assets minus Total Liabilities		Share in Consolidated Profit or Loss	
	% of Consolidated Net assets	Rs in million	% of Consolidated Profit	Rs in million
Laxmi Organic Industries Limited	101.83%	4,810.73	97.40%	443.97
Subsidiary - Indian :				
Laxmi Lifescience Pvt. Ltd	0.00%	(0.11)	0.00%	(0.01)
Viva Lifesciences Pvt. Ltd.	-0.02%	(1.06)	-0.15%	(0.67)
Cellbion Lifesciences Pvt. Ltd	-0.59%	(27.73)	-0.80%	(3.65)
Saideep Traders	-0.40%	(18.83)	-2.80%	(12.76)
Yellowstone Fine Chemicals Pvt. Ltd.	0.00%	(0.01)	0.00%	(0.01)
Yellowstone Speciality Chemicals Pvt. Ltd.	0.00%	(0.01)	0.00%	(0.01)
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE	0.12%	5.87	8.42%	38.39
Laxmi Organic Industries (Europe) BV	-0.95%	(44.89)	-2.09%	(9.52)
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	0.00%	0.11	0.02%	0.11
	100.00%	**4,724.06**	**100.00%**	**455.84**

April 2019 - March 2020

Name of the Enterprise	Net Assets i.e. Total assets minus Total Liabilities		Share in Consolidated Profit or Loss	
	% of Consolidated Net assets	Rs in million	% of Consolidated Profit	Rs in million
Laxmi Organic Industries Limited	102.31%	4,367.81	116.76%	812.05
Subsidiary - Indian :				
Laxmi Lifescience Pvt. Ltd	0.00%	(0.10)	0.00%	(0.02)
Viva Lifesciences Pvt. Ltd.	-0.01%	(0.39)	-0.04%	(0.31)
Cellbion Lifesciences Pvt. Ltd	-0.28%	(11.89)	-1.63%	(11.35)
Saideep Traders	-0.46%	(19.64)	-2.18%	(15.13)
Yellowstone Fine Chemicals Pvt. Ltd.	0.00%	-	0.00%	-
Yellowstone Speciality Chemicals Pvt. Ltd.	0.00%	-	0.00%	-
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE	-0.77%	(32.81)	-5.60%	(38.91)
Laxmi Organic Industries (Europe) BV	-0.79%	(33.80)	-7.31%	(50.86)
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	0.00%	-	0.00%	-
	100.00%	**4,269.18**	**100.00%**	**695.46**

April 2018 - March 2019

Name of the Enterprise	Net Assets i.e. Total assets minus Total Liabilities		Share in Consolidated Profit or Loss	
	% of Consolidated Net assets	Rs in million	% of Consolidated Profit	Rs in million
Laxmi Organic Industries Limited	98.06%	4,411.32	102.67%	742.17
Subsidiary - Indian :				
Laxmi Lifescience Pvt. Ltd	0.00%	(0.08)	0.00%	(0.01)
Viva Lifesciences Pvt. Ltd.	0.00%	(0.08)	0.00%	(0.01)
Cellbion Lifesciences Pvt. Ltd	0.87%	39.31	2.33%	16.86
Saideep Traders	0.48%	21.60	3.32%	24.03
Yellowstone Fine Chemicals Pvt. Ltd.	0.00%	-	0.00%	-
Yellowstone Speciality Chemicals Pvt. Ltd.	0.00%	-	0.00%	-
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE	0.17%	7.86	-4.66%	(33.72)
Laxmi Organic Industries (Europe) BV	0.41%	18.53	-3.65%	(26.41)
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	0.00%	-	0.00%	-
	100.00%	4,498.45	100.00%	722.90

April 2017 - March 2018

Name of the Enterprise	Net Assets i.e. Total assets minus Total Liabilities		Share in Consolidated Profit or Loss	
	% of Consolidated Net assets	Rs in million	% of Consolidated Profit	Rs in million
Laxmi Organic Industries Limited	98.15%	3,723.01	97.96%	744.56
Subsidiary - Indian :				
Laxmi Lifescience Pvt. Ltd	0.00%	(0.07)	0.00%	(0.01)
Viva Lifesciences Pvt. Ltd.	0.00%	(0.07)	0.00%	(0.01)
Cellbion Lifesciences Pvt. Ltd	0.59%	22.45	-0.92%	(6.98)
Saideep Traders	-0.06%	(2.43)	-1.07%	(8.13)
Yellowstone Fine Chemicals Pvt. Ltd.	0.00%	-	0.00%	-
Yellowstone Speciality Chemicals Pvt. Ltd.	0.00%	-	0.00%	-
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE	1.06%	40.13	-0.23%	(1.71)
Laxmi Organic Industries (Europe) BV	0.27%	10.18	4.26%	32.36
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	0.00%	-	0.00%	-
	100.00%	**3,793.20**	**100.00%**	**760.06**

47 The outbreak of COVID -19 has severely impacted many businesses around the world including India. Although there has been various directives of Central / State Governments relating to lockdown, the Company has obtained requisite permissions, as applicable, from the concerned Government authorities to run its manufacturing operations since it falls under the essential services.

Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and liquidity position, and has concluded that, in the preparation of the financial results, it has taken into account all known events arising from COVID-19 pandemic. However, the Company will continue to monitor any material changes to future economic conditions.

48 The balance sheet, statement of profit and loss, statement of cash flow , statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the restated standalone financial statements of the Company.

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

N Jayendran
Partner
M.No. 40441

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
ED & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : 23/02/2021

Place : Mumbai
Date : 23/02/2021

Annexure -1

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

A	**Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise**	
1	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd.	Subsidiaries
3	Laxmi Organic Industries (Europe) BV	Subsidiaries
4	Laxmi Petrochem Middle East FZE	Subsidiaries
5	Viva Lifesciences Pvt Ltd.	Subsidiaries
6	Saideep Traders	Subsidiaries
7	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (w.e.f. from September 05, 2019)	Subsidiaries
8	Yellowstone Fine Chemicals Pvt. Ltd. (w.e.f. from March 03, 2020)	Subsidiaries
9	Yellowstone Speciality Chemicals Pvt. Ltd. (w.e.f. from April 24, 2020)	Subsidiaries
10	Ravi Goenka Trustee of Yellowstone Trust	Shareholder
B	**Associates and joint ventures of the reporting enterprise**	
1	Suvas Holding Ltd. (Upto February 15, 2019)	Joint Venture
C	**Key Management Personnel**	
1	Vasudeo Goenka	Non-Executive Chairman
2	Ravi Goenka	Key Management Personnel
3	Satej Naber (w.e.f. April 1, 2020)	Chief Executive Officer/Executive director
4	Radhesh welling (Upto November 15, 2018)	Executive Director & Chief Executive Officer
5	Rajeev Goenka	Non-Executive director
6	Desh Verma	Non-Executive director
7	Omprakash Bundellu	Independent Director
8	Manish Chokhani	Independent Director
9	Sangeeta Singh (w.e.f. September 4, 2017)	Independent Women Director
D	**Relatives of Key Management Personnel**	
1	Aditi Goenka	
2	Aryavrat Goenka	
3	Avantika Goenka	
4	Harshvardhan Goenka	
5	Manisha Goenka	
6	Niharika Goenka	
7	Vimladevi Goenka	
E	**Enterprises over which any person described in (D) is able to exercise control**	
1	Amrutsagar Construction Pvt. Ltd.	
2	Brady Investments Pvt. Ltd.	
3	Crescent Oils Pvt. Ltd	
4	Enersun Power Tech Pvt. Ltd.	
5	International Knowledge Park Pvt. Ltd.	
6	Laxmidevi Nathmal Goenka Charitable Trust	
7	Maharashtra Aldehydes & Chemicals Ltd.	
8	Ojas Dye-Chem (India) Pvt. Ltd.	
9	Pedestal Finance & Trading Pvt. Ltd.	
10	Rajeev Goenka HUF	
11	Ravi Goenka HUF	
12	Sherry Exports Pvt. Ltd	
13	Zenith Distibutors	
14	Wintech Systems	
15	Varadvinayak Multi Impex Pvt Ltd	
16	Merton Finance & Trading Pvt. Ltd	
17	Yellowstone Chemicals Pvt. Ltd.	
18	Acetyls Holding Private Limited	

Laxmi Organic Industries Ltd
Statement 1

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Commission Paid to Non-Executive Directors	**Apr-Sep 2020**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	**-**	**-**	**5.73**	**-**	**-**	**5.73**
	2018-19	**-**	**-**	**3.65**	**-**	**-**	**3.65**
	2017-18	**-**	**-**	**3.65**	**-**	**-**	**3.65**
Omprakash Bundellu	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20			1.50			**1.50**
	2018-19	-	-	1.25	-	-	**1.25**
	2017-18	-	-	1.25	-	-	**1.25**
Manish Chokhani	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20			1.50			**1.50**
	2018-19	-	-	1.00	-	-	**1.00**
	2017-18	-	-	1.00	-	-	**1.00**
Sangeeta Singh	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20			2.13			**2.13**
	2018-19	-	-	0.88	-	-	**0.88**
	2017-18	-	-	0.88	-	-	**0.88**
Desh Verma	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20			0.60			**0.60**
	2018-19	-	-	0.53	-	-	**0.53**
	2017-18	-	-	0.53	-	-	**0.53**
Guarantee Commission Received	**Apr-Sep 2020**	**0.43**	**-**	**-**	**-**	**-**	**0.43**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
	2018-19	**-**	**-**	**-**	**-**	**-**	**-**
	2017-18	**-**	**-**	**-**	**-**	**-**	**-**
Viva Lifesciences Pvt. Ltd.	Apr-Sep 2020	0.43	-	-	-	-	**0.43**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Interest Received	**Apr-Sep 2020**	**23.64**	**-**	**-**	**-**	**-**	**23.64**
	2019-20	**28.98**	**-**	**-**	**-**	**-**	**28.98**
	2018-19	**8.67**	**-**	**-**	**-**	**-**	**8.67**
	2017-18	**7.75**	**-**	**-**	**-**	**-**	**7.75**
Laxmi Organic Industries (Europe) BV	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	0.88	-	-	-	-	**0.88**
	2018-19	0.81	-	-	-	-	**0.81**
	2017-18	0.78	-	-	-	-	**0.78**
Viva Lifesciences Pvt Ltd.	Apr-Sep 2020	20.00					**20.00**
	2019-20	20.19	-	-	-	-	**20.19**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Laxmi Lifesciences Pvt Ltd.	Apr-Sep 2020						**-**
	2019-20	0.00	-	-	-	-	**0.00**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Cellbion Lifesciences Pvt. Ltd.	Apr-Sep 2020	3.64	-	-	-	-	**3.64**
	2019-20	7.91	-	-	-	-	**7.91**
	2018-19	7.86	-	-	-	-	**7.86**
	2017-18	6.97	-	-	-	-	**6.97**
Interest Paid	**Apr-Sep 2020**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	**0.11**	**-**	**-**	**-**	**-**	**0.11**
	2018-19	**-**	**-**	**-**	**-**	**-**	**-**
	2017-18	**1.62**	**-**	**-**	**-**	**-**	**1.62**
Laxmi Organic Industries (Europe) BV	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	0.11	-	-	-	-	**0.11**
	2018-19	-	-	-	-	-	**-**
	2017-18	1.62	-	-	-	-	**1.62**
Miscellaneous income	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	34.24	-	-	-	-	**34.24**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Cellbion Lifesciences Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	34.24	-	-	-	-	**34.24**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Rent, Commission and Other Expenses	**Apr-Sep 2020**	-	-	-	-	-	-
	2019-20	-	-	-	-	**0.67**	**0.67**
	2018-19	-	-	-	-	**0.63**	**0.63**
	2017-18	-	-	-	-	**0.59**	**0.59**
Merton Finance & Trading Pvt. Ltd	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	-	-	-	-	0.11	**0.11**
	2018-19	-	-	-	-	0.11	**0.11**
	2017-18	-	-	-	-	0.11	**0.11**
Sherry Exports Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	-	-	-	-	0.57	**0.57**
	2018-19	-	-	-	-	0.52	**0.52**
	2017-18	-	-	-	-	0.48	**0.48**
Donation	**Apr-Sep 2020**	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	-	**31.40**	**31.40**
	2017-18	-	-	-	-	**1.60**	**1.60**
Laxmidevi Nathmal Goenka Charitable Trust	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	-	10.83	**10.83**
	2017-18	-	-	-	-	0.10	**0.10**
Laxmi Foundation	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	-	20.58	**20.58**
	2017-18	-	-	-	-	1.50	**1.50**
Expenses Incurred on behalf of	**Apr-Sep 2020**	**2.65**	-	-	-	-	**2.65**
	2019-20	**3.64**	-	-	-	**1.21**	**4.84**
	2018-19	**3.49**	-	-	-	**0.91**	**4.40**
	2017-18	**2.71**	-	-	-	**1.07**	**3.78**
Viva Lifesciences Pvt Ltd.	Apr-Sep 2020	1.00	-	-	-	-	**1.00**
	2019-20	-	-	-	-		-
	2018-19	-	-	-	-		-
	2017-18	-	-	-	-		-
Brady Investments Pvt. Ltd.	Apr-Sep 2020	-	-	-	-		-
	2019-20	-	-	-	-	1.21	**1.21**
	2018-19	-	-	-	-	0.91	**0.91**
	2017-18	-	-	-	-	1.07	**1.07**
Laxmi Petrochem Middle East FZE	Apr-Sep 2020	1.65	-	-	-	-	**1.65**
	2019-20	3.64	-	-	-	-	**3.64**
	2018-19	3.49	-	-	-	-	**3.49**
	2017-18	2.71	-	-	-	-	**2.71**
Expenses Recovered	**Apr-Sep 2020**	-	-	-	-	**26.36**	**26.36**
	2019-20	**0.15**	-	-	-	**7.86**	**8.01**
	2018-19	-	-	-	-	**0.22**	**0.22**
	2017-18	-	-	-	-	**0.83**	**0.83**
Viva Lifesciences Pvt Ltd.	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	0.15					**0.15**
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	-	-	-	-	1.09	**1.09**
	2018-19	-	-	-	-	0.11	**0.11**
	2017-18	-	-	-	-	0.83	**0.83**
Merton Finance & Trading Pvt. Ltd	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	-	0.11	**0.11**
	2017-18	-	-	-	-	-	-
Yellowstone Chemicals Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	26.36	**26.36**
	2019-20	-	-	-	-	6.77	**6.77**
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Sales	**Apr-Sep 2020**	**511.63**	**-**	**-**	**-**	**650.25**	**1,161.88**
	2019-20	**794.68**	**-**	**-**	**-**	**458.79**	**1,253.47**
	2018-19	**1,676.41**	**-**	**-**	**-**	**3.68**	**1,680.09**
	2017-18	**1,282.10**	**-**	**-**	**-**	**28.54**	**1,310.64**
Laxmi Organic Industries (Europe) BV	Apr-Sep 2020	510.11	-	-	-	-	**510.11**
	2019-20	794.68	-	-	-	-	**794.68**
	2018-19	1,668.47	-	-	-	-	**1,668.47**
	2017-18	1,207.20	-	-	-	-	**1,207.20**
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Apr-Sep 2020	1.51	-	-	-	-	**1.51**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Saideep Traders	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	5.82	-	-	-	-	**5.82**
	2017-18	-	-	-	-	-	**-**
Yellowstone Chemicals Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	589.90	**589.90**
	2019-20	-	-	-	-	405.38	**405.38**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Maharashtra Aldehydes & Chemicals Ltd.	Apr-Sep 2020	-	-	-	-	60.36	**60.36**
	2019-20	-	-	-	-	53.41	**53.41**
	2018-19	-	-	-	-	3.68	**3.68**
	2017-18	-	-	-	-	28.54	**28.54**
Laxmi Petrochem Middle East FZE	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	2.12	-	-	-	-	**2.12**
	2017-18	74.91	-	-	-	-	**74.91**
Purchases	**Apr-Sep 2020**	**0.01**	**-**	**-**	**-**	**298.65**	**298.66**
	2019-20	**163.14**	**-**	**-**	**-**	**117.38**	**280.51**
	2018-19	**504.09**	**-**	**-**	**-**	**-**	**504.09**
	2017-18	**122.08**	**-**	**-**	**-**	**5.06**	**127.14**
Yellowstone Chemicals Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	298.65	**298.65**
	2019-20	-	-	-	-	117.38	**117.38**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Maharashtra Aldehydes & Chemicals Ltd.	Apr-Sep 2020						**-**
	2019-20						**-**
	2018-19						**-**
	2017-18					5.06	**5.06**
Saideep Traders	Apr-Sep 2020	0.01	-	-	-	-	**0.01**
	2019-20	163.14	-	-	-	-	**163.14**
	2018-19	275.38	-	-	-	-	**275.38**
	2017-18	76.97	-	-	-	-	**76.97**
Laxmi Petrochem Middle East FZE	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	228.70	-	-	-	-	**228.70**
	2017-18	45.11	-	-	-	-	**45.11**

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Sitting Fees	**Apr-Sep 2020**	**-**	**-**	**0.26**	**-**	**-**	**0.26**
	2019-20	**-**	**-**	**1.27**	**-**	**-**	**1.27**
	2018-19	**-**	**-**	**0.96**	**-**	**-**	**0.96**
	2017-18	**-**	**-**	**0.82**	**-**	**-**	**0.82**
Vasudeo Goenka	Apr-Sep 2020	-	-	0.06	-	-	**0.06**
	2019-20	-	-	0.18	-	-	**0.18**
	2018-19	-	-	0.16	-	-	**0.16**
	2017-18	-	-	0.14	-	-	**0.14**
Rajeev Goenka	Apr-Sep 2020			0.04			**0.04**
	2019-20	-	-	0.12	-	-	**0.12**
	2018-19	-	-	0.08	-	-	**0.08**
	2017-18	-	-	0.08	-	-	**0.08**
Desh Verma	Apr-Sep 2020	-	-	0.02	-	-	**0.02**
	2019-20	-	-	0.15	-	-	**0.15**
	2018-19	-	-	0.10	-	-	**0.10**
	2017-18	-	-	0.10	-	-	**0.10**
Omprakash Bundellu	Apr-Sep 2020	-	-	0.06	-	-	**0.06**
	2019-20	-	-	0.34	-	-	**0.34**
	2018-19	-	-	0.26	-	-	**0.26**
	2017-18	-	-	0.24	-	-	**0.24**
Manish Chokhani	Apr-Sep 2020	-	-	0.04	-	-	**0.04**
	2019-20	-	-	0.32	-	-	**0.32**
	2018-19	-	-	0.24	-	-	**0.24**
	2017-18	-	-	0.22	-	-	**0.22**
Sangeeta Singh	Apr-Sep 2020	-	-	0.04	-	-	**0.04**
	2019-20	-	-	0.17	-	-	**0.17**
	2018-19	-	-	0.12	-	-	**0.12**
	2017-18	-	-	0.04	-	-	**0.04**
Salary	**Apr-Sep 2020**	**-**	**-**	**-**	**3.24**	**-**	**3.24**
	2019-20	**-**	**-**	**-**	**6.66**	**-**	**6.66**
	2018-19	**-**	**-**	**-**	**19.24**	**-**	**19.24**
	2017-18	**-**	**-**	**-**	**3.91**	**-**	**3.91**
Harshvardhan Goenka	Apr-Sep 2020	-	-	-	3.24	-	**3.24**
	2019-20	-	-	-	6.66	-	**6.66**
	2018-19	-	-	-	19.24	-	**19.24**
	2017-18	-	-	-	3.91	-	**3.91**
Directors Remuneration	**Apr-Sep 2020**	**-**	**-**	**33.38**	**-**	**-**	**33.38**
	2019-20	**-**	**-**	**41.45**	**-**	**-**	**41.45**
	2018-19	**-**	**-**	**106.11**	**-**	**-**	**106.11**
	2017-18	**-**	**-**	**80.49**	**-**	**-**	**80.49**
Ravi Goenka	Apr-Sep 2020	-	-	17.52	-	-	**17.52**
	2019-20	-	-	41.45	-	-	**41.45**
	2018-19	-	-	86.31	-	-	**86.31**
	2017-18	-	-	80.49	-	-	**80.49**
Radhesh Welling	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	19.80	-	-	**19.80**
	2017-18	-	-	35.37	-	-	**35.37**
Satej Nabar	Apr-Sep 2020	-	-	15.86	-	-	**15.86**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-		-	-	**-**
Sales of Investment	**Apr-Sep 2020**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
	2018-19	**-**	**-**	**17.73**	**-**	**-**	**17.73**
	2017-18	**-**	**-**	**56.60**	**-**	**-**	**56.60**
Ravi Goenka	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	6.08	-	-	**6.08**
	2017-18	-	-	19.10	-	-	**19.10**
Rajeev Goenka	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	11.65	-	-	**11.65**
	2017-18	-	-	37.50	-	-	**37.50**

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Equity Investment	**Apr-Sep 2020**	**1.00**	**-**	**-**	**-**	**-**	**1.00**
	2019-20	**3.98**	**-**	**-**	**-**	**-**	**3.98**
	2018-19	**-**	**9.16**	**-**	**-**	**-**	**9.16**
	2017-18	**-**	**24.56**	**-**	**-**	**-**	**24.56**
Suvas Holding Ltd.	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
	2018-19	-	9.16	-	-	-	**9.16**
	2017-18	-	24.56	-	-	-	**24.56**
Laxmi Organic Industries (Europe) BV	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	2.98	-	-	-	-	**2.98**
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
Yellowstone Specialty Chemicals Pvt. Ltd.	Apr-Sep 2020	1.00	-	-	-	-	**1.00**
	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
Yellowstone Fine Chemicals Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	1.00	-	-	-	-	**1.00**
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
Loan / Advance Given	**Apr-Sep 2020**	**243.75**	**-**	**-**	**-**	**-**	**243.75**
	2019-20	**483.93**	**-**	**-**	**-**	**-**	**483.93**
	2018-19	**-**	**-**	**-**	**-**	**-**	**-**
	2017-18	**-**	**-**	**-**	**-**	**-**	**-**
Viva Lifesciences Pvt Ltd.	Apr-Sep 2020	243.75	-	-	-	-	**243.75**
	2019-20	483.90	-	-	-	-	**483.90**
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
Laxmi Lifesciences Pvt Ltd.	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	0.03	-	-	-	-	**0.03**
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
Repayment of Loan / Advance Given	**Apr-Sep 2020**	**325.00**	**-**	**-**	**-**	**-**	**325.00**
	2019-20	**22.00**	**-**	**-**	**-**	**-**	**22.00**
	2018-19	**-**	**-**	**-**	**-**	**-**	**-**
	2017-18	**-**	**-**	**-**	**-**	**-**	**-**
Viva Lifesciences Pvt Ltd.	Apr-Sep 2020	325.00	-	-	-	-	**325.00**
	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-
Cellbion Lifesciences Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	-	-
	2019-20	22.00	-	-	-	-	**22.00**
	2018-19	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Dividend Paid	**Apr-Sep 2020**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	**14.07**	**-**	**0.04**	**0.07**	**1.07**	**15.25**
	2018-19	**12.06**	**-**	**0.02**	**0.06**	**0.92**	**13.06**
	2017-18	**-**	**-**	**6.94**	**2.77**	**0.74**	**10.44**
Vasudeo Goenka	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	0.00	-	-	**0.00**
	2017-18	-	-	1.19	-	-	**1.19**
Ravi Goenka	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	0.01	-	-	**0.01**
	2018-19	-	-	0.00	-	-	**0.00**
	2017-18	-	-	4.57	-	-	**4.57**
Rajeev Goenka	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	0.03	-	-	**0.03**
	2018-19	-	-	0.02	-	-	**0.02**
	2017-18	-	-	1.17	-	-	**1.17**
Aryavrat Goenka	Apr-Sep 2020						**-**
	2019-20	-	-	-	0.07	-	**0.07**
	2018-19	-	-	-	0.06	-	**0.06**
	2017-18	-	-	-	0.05	-	**0.05**
Manisha R. Goenka	Apr-Sep 2020						**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	0.95	-	**0.95**
Niharika Goenka	Apr-Sep 2020						**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	0.56	-	**0.56**
Aditi Goenka	Apr-Sep 2020						**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	0.88	-	**0.88**
Harshvardhan Goenka	Apr-Sep 2020						**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	0.34	-	**0.34**
Ravi Goenka Trustee of Yellowstone Trust	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	14.07	-	-	-		**14.07**
	2018-19	12.06	-	-	-		**12.06**
	2017-18	-	-	-	-	-	**-**
Ravi Goenka HUF	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	0.74	**0.74**
	2018-19	-	-	-	-	0.64	**0.64**
	2017-18	-	-	-	-	0.51	**0.51**
Brady Investments Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	0.33	**0.33**
	2018-19	-	-	-	-	0.28	**0.28**
	2017-18	-	-	-	-	0.23	**0.23**

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Balance Payable	**Apr-Sep 2020**	**8.60**	**-**	**-**	**-**	**0.23**	**8.82**
	2019-20	**15.82**	**-**	**-**	**-**	**106.13**	**121.95**
	2018-19	**-**	**-**	**19.15**	**-**	**0.32**	**19.48**
	2017-18	**45.11**	**-**	**-**	**-**	**0.67**	**45.78**
Saideep Traders	Apr-Sep 2020	2.34	-	-	-	-	**2.34**
	2019-20	15.82	-	-	-	-	**15.82**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Viva Lifesciences Pvt Ltd.	Apr-Sep 2020	6.26	-	-	-	-	**6.26**
	2019-20		-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Yellowstone Chemicals Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	105.79	**105.79**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Ravi Goenka	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	7.33	-	-	**7.33**
	2017-18	-	-	-	-	-	**-**
Rajeev Goenka	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	11.65	-	-	**11.65**
	2017-18	-	-	-	-	-	**-**
Harshvardhan Goenka	Apr-Sep 2020						**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	0.17	-	-	**0.17**
	2017-18	-	-	-	-	-	**-**
Laxmi Petrochem Middle East FZE	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	45.11	-	-	-	-	**45.11**
Brady Investments Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	0.23	**0.23**
	2019-20	-	-	-	-	0.23	**0.23**
	2018-19	-	-	-	-	0.22	**0.22**
	2017-18	-	-	-	-	0.04	**0.04**
Sherry Exports Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	0.52	**0.52**
Merton Finance & Trading Pvt. Ltd	Apr-Sep 2020						**-**
	2019-20					0.11	**0.11**
	2018-19					0.11	**0.11**
	2017-18					0.11	**0.11**

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Balance Receivable	**Apr-Sep 2020**	**879.11**	**-**	**-**	**-**	**323.89**	**1,203.01**
	2019-20	**576.70**	**-**	**-**	**-**	**412.08**	**988.78**
	2018-19	**441.89**	**-**	**-**	**-**	**2.32**	**444.21**
	2017-18	**201.51**	**-**	**-**	**-**	**2.74**	**204.25**
Yellowstone Chemicals Pvt. Ltd.	Apr-Sep 2020	-	-	-	-	318.25	**318.25**
	2019-20	-	-	-	-	409.19	**409.19**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Viva Lifesciences Pvt Ltd.	Apr-Sep 2020	439.14	-	-	-	-	**439.14**
	2019-20	502.08	-	-	-	-	**502.08**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Apr-Sep 2020	1.49	-	-	-	-	**1.49**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Laxmi Organic Industries (Europe) BV	Apr-Sep 2020	360.45	-	-	-	-	**360.45**
	2019-20	1.53	-	-	-	-	**1.53**
	2018-19	315.19	-	-	-	-	**315.19**
	2017-18	24.43	-	-	-	-	**24.43**
Cellbion Lifesciences Pvt. Ltd.	Apr-Sep 2020	62.78	-	-	-	-	**62.78**
	2019-20	59.14	-	-	-	-	**59.14**
	2018-19	61.95	-	-	-	-	**61.95**
	2017-18	88.64	-	-	-	-	**88.64**
Saideep Traders	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	55.73	-	-	-	-	**55.73**
	2017-18	76.29	-	-	-	-	**76.29**
Laxmi Petrochem Middle East FZE	Apr-Sep 2020	15.23	-	-	-	-	**15.23**
	2019-20	13.94	-	-	-	-	**13.94**
	2018-19	9.02	-	-	-	-	**9.02**
	2017-18	12.15	-	-	-	-	**12.15**
Laxmi Lifesciences Pvt. Ltd.	Apr-Sep 2020	0.03	-	-	-	-	**0.03**
	2019-20	0.03	-	-	-	-	**0.03**
	2018-19	-	-	-	-	-	**-**
	2017-18	-	-	-	-	-	**-**
Maharashtra Aldehydes & Chemicals Ltd.	Apr-Sep 2020	-	-	-	-	3.44	**3.44**
	2019-20	-	-	-	-	0.69	**0.69**
	2018-19	-	-	-	-	0.11	**0.11**
	2017-18	-	-	-	-	0.54	**0.54**
Pedestal Finance & Trading Pvt. Ltd.	Apr-Sep 2020					2.20	**2.20**
	2019-20					2.20	**2.20**
	2018-19					2.20	**2.20**
	2017-18					2.20	**2.20**

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Corporate Guarantee (As on last day of the period)	**Apr-Sep 2020**	**1,700.00**	**-**	**-**	**-**	**-**	**1,700.00**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
	2018-19	**116.55**	**-**	**-**	**-**	**-**	**116.55**
	2017-18	**106.64**	**-**	**-**	**-**	**-**	**106.64**
Laxmi Organic Industries (Europe) BV	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	116.55	-	-	-	-	**116.55**
	2017-18	80.62	-	-	-	-	**80.62**
Suvas Holding Ltd.	Apr-Sep 2020	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
	2018-19	-	-	-	-	-	**-**
	2017-18	26.02	-	-	-	-	**26.02**
Viva Lifescience Private Limited	Apr-Sep 2020	1,700.00					**1,700.00**
	2019-20						
	2018-19						
	2017-18						
Standby Letters of Credit issued by the Company's banker to the bankers of WOS:	**Apr-Sep 2020**	**321.02**	**-**	**-**	**-**	**-**	**321.02**
	2019-20	**327.93**	**-**	**-**	**-**	**-**	**327.93**
	2018-19	**300.90**	**-**	**-**	**-**	**-**	**300.90**
	2017-18	**282.94**	**-**	**-**	**-**	**-**	**282.94**
Laxmi Petrochem Middle East FZE	Apr-Sep 2020	321.02	-	-	-	-	**321.02**
	2019-20	327.93	-	-	-	-	**327.93**
	2018-19	300.90	-	-	-	-	**300.90**
	2017-18	282.94	-	-	-	-	**282.94**

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	As at			
	Six-month period ended September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Basic and Diluted Earnings / (loss) per Equity Share (in ₹)	2.02	2.86	2.89	3.03
Return on net worth (in %)	9.65	16.45	16.13	20.01
Net asset value per Equity Share (in ₹)	20.99	18.97	17.98	15.16*
EBITDA (₹ in million)	863.42	1,437.09	1,586.17	1,544.09

** Adjusted for bonus issue*

Notes:

(1) The ratios on the basis of Restated Consolidated Financial Statements have been computed as below:

Basic and Diluted Earnings per share (₹) = $\frac{\text{Net profit/(loss) as restated, attributable to Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year}}$

Return on net worth (%) = $\frac{\text{Net profit/(loss) as restated, attributable to owners of the Company}}{\text{Net worth at the end of the year}}$

Net assets value per Equity Share = Net Assets at the end of the respective periods divided by number equity shares outstanding at the end of respective periods.

Net Assets = Total Assets minus total liabilities (excluding revaluation reserves)

EBITDA = Restated profit/(loss) for the respective period (after exceptional item) + tax expenses + finance costs + depreciation and amortisation

(2) Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the Shareholders in their meeting held on November 24, 2020 have approved the split of 1 Equity share of the face value ₹ 10 each into 5 equity share of the face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 45,016,395 equity shares of face value of ₹ 10 each to 225,081,975 equity shares of face value of ₹ 2 each.

In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period bur before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of the split stated above.

(3) Basic and Diluted EPS, EBITDA and Return on Net worth for the six month period ended September 30, 2020 are not annualised.

(4) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

(5) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(6) The above ratios have been computed on the basis of the Restated Consolidated Financial Statements.

(7) "EBITDA" means earnings before interest, tax, depreciation and amortization. It has been calculated as follows: profit before tax + finance cost + depreciation and amortization expense.

Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and our Material Subsidiary for Fiscals 2020, 2019 and 2018 (collectively, the **"Audited Financial Statements"**) are available on our website at https://www.laxmi.com/investors.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements did not and do not constitute, (i) a part of the Red Herring Prospectus and this Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the 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.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2020 and March 31, 2020, on the basis of our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections "*Management's Discussion and Analysis of Financial Position and Results of Operations*", "*Financial Information*" and "*Risk Factors*" on pages 302, 233 and 27, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at March 31, 2020	Pre-Offer as at September 30, 2020	As adjusted for the proposed Offer*
Total Borrowings			
Current borrowings	336.45	632.95	632.95
Non-current borrowings (including current maturities)	1,251.95	1,288.84	1,288.84
Total Borrowings	**1,588.40**	**1,921.79**	**1,921.79**
Total Equity			
Equity share capital(^)	450.16	450.16	527.32
Other Equity	3,819.02	4,273.90	9,196.74
Total Equity	**4,269.18**	**4,724.06**	**9,724.06**
Ratio: Non-Current Borrowings/Total Equity	**0.29**	**0.27**	**0.13**
Ratio: Total Borrowings/ Total Equity	**0.37**	**0.41**	**0.20**

** Post Offer column reflects changes in equity on account of proceeds from the Fresh Issue and Pre-IPO Placement aggregating to ₹ 5,000 million, out of which ₹ 77.16 million has been adjusted against the Equity Share capital and ₹ 4,922.84 million has been adjusted in securities premium. Further the other equity amount has not been adjusted for share issue expenses of the Offer. The total borrowings are also as at September 30, 2020 and not adjusted for changes thereafter.*

(^)Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 45,016,395 equity shares of ₹ 10 each were sub-divided into 225,081,975 equity shares of face value of ₹ 2 each. However, there was no change in the aggregate paid-up Equity Share capital of the Company.

Note: Pursuant to the Pre-IPO Placement, we have on February 27, 2021 and on March 1, 2021 allotted an aggregate of 15,503,875 Equity Shares on a preferential basis for an aggregate consideration of ₹ 2,000.00 million at a price of ₹ 129.00 per Equity Share (including a premium of ₹ 127.00 per Equity Share), pursuant to which the pre-Offer paid-up Equity Share capital of the Company has increased from ₹ 450.16 million to ₹ 481.17 million

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations for Fiscals 2018, 2019, 2020 and the six months period ended September 30, 2020. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Consolidated Financial Statements included in "Restated Consolidated Financial Statements" including the schedules, annexures and notes thereto and the reports thereon, beginning on page 233.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 27 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Please also see, "Risk Factors- The continuing impact of the outbreak of the COVID-19 could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations." on page 27.

Unless otherwise indicated, industry data in this section has been derived from the Frost & Sullivan Report. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors - We have commissioned and paid for an industry report from Frost & Sullivan, which has been used for industry related data in this Prospectus and such data has not been independently verified by us or the BRLMs" on page 51 and "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 16.

Overview

We are a leading manufacturer of Acetyl Intermediates and Specialty Intermediates with almost three decades of experience in large scale manufacturing of chemicals. Since our inception in 1989, we have been on a journey of transformation. We initially started manufacturing acetaldehyde and acetic acid in 1992, and soon thereafter moved on to manufacturing of ethyl acetate in 1996. We are currently among the largest manufacturers of ethyl acetate in India with a market share of approximately 30% of the Indian ethyl acetate market (source: Frost & Sullivan Report). Further, post completion of the YCPL Acquisition, our market share in the ethyl acetate market will be further enhanced. In 2010, we commenced manufacturing the Specialty Intermediates by acquiring Clariant's diketene business. We believe that the diversification of our product portfolio into varied chemistries in Specialty Intermediates has enabled us to create a niche for ourselves. We are the only manufacturer of diketene derivatives in India with a market share of approximately 55 % of the Indian diketene derivatives market in terms of revenue in Fiscal 2020 and one of the largest portfolios of diketene products (source: Frost & Sullivan Report).

Our products are currently divided into two broad categories, namely the Acetyl Intermediates and the Specialty Intermediates. The Acetyl Intermediates include ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents, while the Specialty Intermediates comprises of ketene, diketene derivatives namely esters, acetic anhydride, amides, arylides and other chemicals. Our products find application in various high-growth industries, including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and other industrial applications. We also propose to diversify into manufacturing of specialty fluorochemicals to which end, we have recently acquired assets including plant & machinery, design and operating paperwork, REACH registrations and patents of Miteni, a manufacturer of organic fluorospecialties and electrochemical fluorination. We believe we are well placed to enter into the high margin specialty fluorochemicals space through this acquisition. According to the Frost & Sullivan Report, given our expertise in the Acetyl Intermediates and the Specialty Intermediates segments, our entry into the fluorochemicals space will put us at a differentiated position from other chemicals manufacturers.

Over the years, we have significantly expanded our scale of operations and global footprint with customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. We have established long-standing relationships with marquee players including Syngenta Asia Pacific Pte. Ltd., Alembic Pharmaceuticals Limited, Covestro (India) Private Limited, Dr. Reddy's Laboratories Limited, Flint Group India Private Limited, Granules India Limited, Hetero Labs Limited, Heubach Colour Private Limited, Hubergroup India Private Limited, Huhtamaki India Limited, Laurus Labs Limited, Macleods Pharmaceuticals Private Limited, Mylan Laboratories Limited, Neuland Laboratories Limited, Parikh Packaging Private Limited, Suven Pharmaceuticals Limited, Colourtex Industries Private Limited, and UPL Limited. We have offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates) which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. We also have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai, Maharashtra for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice. We have been the largest exporter of ethyl acetate from India in the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018 and one of the largest exporters of ethyl acetate to Europe from India since 2012 (source: Frost & Sullivan Report). For the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our Company's revenue from exports of manufactured products contributed 23.17%, 24.24%, 27.80% and 22.18%, respectively, of our revenue from operations on a standalone basis. Our Company's revenue from exports on a standalone basis have grown at a CAGR of 5.89% between Fiscal 2018 and the six months ended September 30, 2020 (annualized).

We currently have two manufacturing facilities in Mahad, Maharashtra (the "**Manufacturing Facilities**"), with one facility dedicated to Acetyl Intermediates (the "**AI Manufacturing Facility**") and another dedicated to Specialty Intermediates (the "**SI Manufacturing Facility**"), which are strategically located in proximity to several ports and each other. As at December 31, 2020, the aggregate installed production capacity at the AI Manufacturing Facility was 161,320 MTPA, while the aggregate installed production capacity at the SI Manufacturing Facility was 78,045 MTPA. We are also in the process of acquiring YCPL, having an aggregate installed production capacity of 10,500 MTPA of acetaldehyde and 29,200 MTPA of ethyl acetate as on December 31, 2020. We also have two distilleries located in Satara district (the "**Jarandeshwar Distillery**") and Kolhapur district in Maharashtra (the "**Panchganga Distillery**" and together with the Jarandeshwar Distillery, the "**Distilleries**") for the manufacturing of ethanol or specially denatured spirit. As at December 31, 2020, the Jarandeshwar Distillery had an installed production capacity of 8,100 KLPA while the Panchganga Distillery had an installed production capacity of 9,112 KLPA. The ethanol manufactured at the Distilleries is primarily consumed at the AI Manufacturing Facility and the SI Manufacturing Facility for the manufacturing of fuel-grade ethanol, ethyl acetate and certain Specialty Intermediates including several downstream products. Further, we are in the process of setting up a manufacturing facility at Lote Parshuram, Maharashtra for manufacturing fluorospecialty chemicals (the "**Proposed Facility**"). For further details in relation to our Manufacturing Facilities and Distilleries, see "*-Our Manufacturing Facilities and Distilleries*" on page 176.

We have two Department of Scientific and Industrial Research, Government of India ("**DSIR**") recognised research and development facilities, with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates (source: Frost & Sullivan Report). For further, details see "-*Research and Development*" on page 179.

For the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our consolidated revenue from operations was ₹8,134.06 million, ₹15,341.23 million, ₹15,685.21 million and ₹13,930.74 million, respectively. Our consolidated EBITDA for the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018 was ₹ 863.42 million, ₹ 1,437.09 million (inclusive of a one-time income of ₹ 256.63 million), ₹ 1,586.17 million and ₹ 1,544.09 million respectively, while our consolidated profit for the period from continuing operations for the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018 was ₹454.84 million, ₹702.12 million, ₹723.91 million and ₹756.95 million respectively.

During the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, the Acetyl Intermediates manufactured by us (including exports to Laxmi Netherlands) contributed 55.37%, 59.33%, 62.24% and 49.22%, respectively, of our total revenue from sale of manufactured products and services on a standalone basis, while the Specialty Intermediates manufactured by our Company (including exports to Laxmi Netherlands) contributed 30.21%, 32.16%, 31.89% and 32.38%, respectively, of our total revenue from sale of manufactured products and services, on a standalone basis.

We have a strong and well experienced Board and key managerial personnel who actively contribute to our operations and participate in our strategy. Our Promoter, Ravi Goenka, who is also our Chairman and Managing Director, has extensive experience in the chemicals industry and has played a significant role in our development and growth. For further, details in relation to Ravi Goenka and our other Directors and key managerial personnel, see "*Our Management*" on page 199.

Significant Factors Affecting our Results of Operations

Availability and cost of raw materials

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Availability and prices of 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 and changes in government policies and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

Acetic acid, which is one of our key raw materials has historically witnessed significant volatility in prices. Acetic acid is a common raw material for both our existing product categories, namely, Acetyl Intermediates and Specialty Intermediates. Further, availability of ethanol, which is also a common raw material across our existing product categories, is dependent on monsoons and consequently, depicts seasonality in availability as well as prices.

We typically do not enter into long term supply contracts with any of our vendors and instead place purchase orders with them from time to time. However, we have entered into volume-based contracts with our vendors in order to ensure availability of raw materials. As we continue to expand our product portfolio and increase our production capacities, we would need to procure additional volumes of raw materials. Any increase in raw material prices may result in corresponding increases in our product costs. We are thus exposed to fluctuations in availability and prices of our raw materials. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes. If we are unable to purchase the raw materials from such suppliers for any reason and on commercially acceptable terms, or if we are unable to pass on the increased cost of production to our customers, our revenue levels and results of operations may be adversely impacted. In the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, purchases of raw materials made by us from our top ten suppliers represented 75.59%, 80.84%, 67.51% and 77.98%, respectively, of our total expenses on a consolidated basis for such period/financial years. Given we procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. Interruption of, or a shortage in the supply of, raw materials may result in our inability to operate our Manufacturing Facilities at optimal capacities, leading to a decline in production and sales. In addition, while competition for procuring raw material may result in an increase in raw material prices, our ability to pass on such increases in overall operational costs may be limited.

Capacity utilisation of our Manufacturing Facilities and expansion of our installed capacities

One of the key drivers in the growth of our revenue from operations has been our ability to develop differentiated products and also leverage our economies of scale. As on the date of this Prospectus, our Company has two operational Manufacturing Facilities, located in close proximity to each other. As at December 31, 2020, the aggregate installed production capacity at the AI Manufacturing Facility was 161,320 MTPA, while the aggregate installed production capacity at the SI Manufacturing Facility was 78,045 MTPA. Further, we have also entered into definitive agreements for acquisition of YCPL (a wholly owned subsidiary of AHPL) having an aggregate installed production capacity of 10,500 MTPA of acetaldehyde and 29,200 MTPA of ethyl acetate as on December 31, 2020.

Our Company is also in the process of expanding the installed capacity at our SI Manufacturing Facility which will be dedicated to manufacture of two identified and existing products. We have entered into a long-term off-take agreement in relation to one of such products with a prominent crop-sciences player. Further, as on the nine months period ended December 31, 2020, Fiscals 2020, 2019 and 2018 the utilisation of the installed capacity at our AI Manufacturing Facility stood at 77.56%, 83.57%, 80.00% and 64.44%, respectively. In order to support our growth in existing markets as well as our entry into new geographies, we also propose to expand the installed capacity at our AI Manufacturing Facility.

Our revenues and, consequently, our profits are dependent on, *inter alia*, our ability to optimise and maximise our capacity utilisation which has helped us meet the demands of our customers and deliver our products in an efficient, reliable and timely manner. With the completion of such expansion our aggregate installed capacity at the SI Manufacturing Facility shall increase from our current capacity of 78,045 MTPA to 82,525 MTPA. The proposed expansions at both our Manufacturing Facilities will enable us to significantly benefit from economies of scale. Our prospects and growth in revenue would *inter alia* be dependent on the effective installation, commencement and utilisation of the proposed expanded capacity. However, any delays in executing the expansions of the SI Manufacturing Facility or any under-utilisation of our installed capacities or any inability to optimise the utilisation of the proposed expansions could have an adverse impact on our revenue from operations and profitability. Additionally, since we are dependent on Manufacturing Facilities located in the same area, any disruptions due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, or any significant social, political or economic disturbances would significantly impact our revenue from operations and financial condition.

Our ability to establish our presence in the fluorospecialty chemicals business

Our future growth is dependent on our ability to manage and execute our expansion into the high-margin fluorospecialty chemicals business. We acquired certain plant, equipment and patents of Miteni in June 2019 which included more than 100 products, 14 patents as well as sophisticated technology. We are in the process of setting up a manufacturing facility for fluorospecialty chemicals at Lote, Parshuram, Maharashtra which is proposed to commence commercial operations in the fourth quarter of Fiscal 2022. Please also refer to "*Objects of the Offer*" on page 100 for further details.

Given the synergies with our existing customer base, our experience in handling complex chemistries local availability of raw materials as well as synergies with downstream chemistries of Specialty Intermediates, we are well poised to enter the fluorospecialty chemicals. Our initial focus would be on pharmaceuticals and agro industries and also on capturing the market share of Miteni. However, we believe that our expansion into this business would require significant attention of our management and our ability to manage this expansion with our existing businesses would be a key factor in determining our growth rate. Further, the Proposed Facility as well as the R&D efforts required for the fluorospecialty chemicals business require significant capital expenditure. Any delay or unforeseen costs in setting up of the Proposed Facility or any inability to manage our costs could have an adverse impact on implementation of our strategies.

Our growth in the fluorospecialty chemicals business would also depend on our ability to respond to customer needs, changing market demands as well as our chemistry execution capabilities. While we believe that we have significant experience in large-scale manufacturing operations and necessary know-how to execute new chemistries, there can be no assurance that we will be able to respond to changes in market conditions, requirements for new technologies and products in the fluorospecialty chemicals business or that our products will be successful with our customers.

Currency exchange rate fluctuations

Most of our sales to our overseas customers are denominated in foreign currencies, predominantly USD and Euro. We have customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. For the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, our revenue from exports contributed 23.17%, 24.24%, 27.80% and 22.18%, respectively, of our revenue from operations. A depreciation of the Rupee increases the Rupee amount of revenue from sales in foreign currency, and, conversely, an appreciation of the Rupee decreases the Rupee amount of revenue from sales made in foreign currency. We also import goods, primarily raw materials. 70.49% and 76.71% of total purchases on a standalone basis, for the six months ended September 30, 2020 and Fiscal 2020, was incurred on imported raw materials and coal. In the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, expenses in foreign currency accounted for 50.50%, 57.07%, 57.24% and 56.25%, respectively of our total expenses in such periods on a standalone basis. An appreciation in the Rupee would result in a decrease in the prices of imported goods and conversely a depreciation of the Rupee would result in an increase in the prices of imported goods.

The Rupee has depreciated over the course of last few years. The exchange rate per Euro moved from ₹ 80.62 as on March 31, 2018 to ₹ 89.79 as on December 31, 2020; and per USD moved from ₹ 65.04 as on March 31, 2018 to ₹ 73.05 as on December 31, 2020. *(Source: www.rbi.org.in and www.fbil.org.in).* A devaluation of any of the currencies in which we derive sales revenues against the Rupee may result in a reduction of our margins and, as a result, our results of operations. Further, we are exposed to risks that arise due to any movements in exchange rates in the period between when a purchase order is placed by a customer on us to the time settlement is done of the Indian Rupee equivalent of the relevant foreign currency amount. While we enter into hedging transactions by entering into forward exchange contracts, steps taken by us to hedge the foreign exchange fluctuation risks may not adequately hedge against any losses we incur due to such fluctuations.

R&D and innovation efforts and growth of our new products

Our business depends to a significant degree on the outcome of our R&D and innovation efforts as well as the growth of our new products. We have two Department of Scientific and Industrial Research, Government of India ("**DSIR**") recognised research and development facilities ("**R&D Facilities**"), comprising of one R&D Facility located within the SI Manufacturing Facility which primarily deals with projects related to the direct application of ketene and diketene and one innovation center at Rabale, Navi Mumbai, Maharashtra. Product development requires significant time and cost investment before a product is commercialised. Our research and development capabilities have enabled us to expand our Specialty Intermediates offerings from 14 products as at March 31, 2012 to more than 34 products as at September 30, 2020. For the six months ended September 30, 2020 and the Fiscals 2020, 2019 and 2018, we have incurred research and development expenditure aggregating to ₹ 40.92 million, ₹ 86.15 million, ₹ 31.20 million and ₹ 84.30 million, respectively, including capital expenditure of ₹ 1.07 million, ₹ 11.28 million, ₹10.60 million and ₹58.44 million during such periods respectively.

In addition, our research scientists are critical to the success of our research and development efforts. As on September 30, 2020, our dedicated team of research scientists comprised 49 employees. Any inability to attract new research scientists or adequately manage attrition may have an adverse impact on our R&D and innovation efforts. We also intend to foray in the high margin fluorospecialty chemicals business. During the development period of new products, we will incur costs for raw material related to the development of the products. We also incur costs in marketing such new products. We believe that our profitability and revenues depend on the growth of our new products. There can be no assurance that we will be able to successfully place our new products with customers or be able to scale such products to the extent estimated by our management. The R&D costs could adversely affect our operating results for a particular period leading to shortfall in resulting revenue. Our investment in research and development for future products could result in higher costs without a proportionate increase in revenues.

Competition and pricing pressure

We compete with different companies depending on the market and type of products. We compete with large multinational pharmaceutical companies and smaller regionally based competitors. Some of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions Our ability to negotiate price with our customers is also impacted by international and domestic competition.

We believe that our ability to compete as well as offer competitive prices of our manufactured products is highly dependent on our ability to manage conversion efficiencies and optimize our product portfolio. As we continue to expand our operations into new geographies, we are exposed to competition from newer players. There can be no assurance that we will be able to successfully compete with our competitors or be able to sell our products at desired margins.

Significant accounting policies

1. Basis of Preparation, Accounting judgements, estimates and assumptions and significant Accounting Policies:

Basis of Preparation

- The Restated Consolidated Financial Statements of the Company comprises the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2020 , March 31, 2020, March 31, 2019 and March 31, 2018, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the six month period ended September 30, 2020 and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, the Summary Statement of Significant Accounting Policies, and other explanatory information (Collectively, the "Restated Consolidated Financial Statements, as approved by the board of directors of the company as their meeting held on February 23, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP")/ Red Herring Prospectus ("RHP") Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirement of:

a) Section 26 of Part I of chapter III of the Companies Act, 2013 ("the Act")
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

- Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2017. Accordingly, the financial statements of the Company on and from April 1, 2017 have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (₹Act') (to the extent notified). For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). The financial statements for the year ended 31st March, 2018 are the first set of financial statements that the Company has prepared in accordance with Ind AS. Financial Statements for the year 2016-17 were restated to make them comparable with transition date being April 1, 2016.

- The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments as per Note 44 to the information compiled by the management from:

  a) Audited special purpose interim Consolidated Ind AS financial statements of the Company as at and for the six month period ended September 30, 2020 prepared in accordance with recognition and measurement principles of 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 Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on October 30, 2020

  b) Audited Consolidated Ind AS financial statements of the Company as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on October 30, 2020, July 15 , 2019 and June 20, 2018 respectively.

- These Restated financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

- The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

- In order to have uniformity in accounting policies, all the accounting policies have been applied retrospectively from April 1, 2017 as detailed in note 44.

- The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest Millions, except otherwise indicated.

2.1 Principles of Consolidation

- The consolidated financial statements relates to Laxmi Organic Industries Limited and its Subsidiary Companies (referred to as Group) and Joint Venture during the six months ended September 30, 2020 and the years ended March 31, 2020, March 31, 2019 and March 31, 2018. The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement", Indian Accounting Standard - 28 “Investment in Associate and Joint Ventures" of the Companies (Indian Accounting Standard) Rules 2015. The Consolidated Financial Statements have been prepared on the following basis: -

- The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

- In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All Assets and Liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognized under foreign currency translation reserve.

- The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting dates. 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. Subsidiaries are entities controlled by the Group. 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 off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries, joint ventures and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company.

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

- Associates are entities over which the Group has significant influence but not control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting as per Indian Accounting Standard - 28 "Investment in Associate and Joint venture". The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee after the acquisition date. The Group’s investment in associates includes goodwill identified on acquisition.

- The difference between the cost to the Company of its investments in the subsidiary / associates / joint ventures over the Company’s portion of equity is recognized in the financial statement as Goodwill on consolidation or Capital Reserve.

- "Under IND AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

- Joint operations: The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

- Joint ventures Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

2.2 The list of subsidiary companies and joint venture included in consolidation and Company’s holding therein are as under: -

Name of Company	Effective Interest and Ownership Interest as at			
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Subsidiary Companies				
Laxmi Organic Industries (Europe) BV	100%	100%	100%	100%
Laxmi Petrochem Middle East FZE	100%	100%	100%	100%

Name of Company	Effective Interest and Ownership Interest as at			
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Cellbion Lifesciences Pvt. Ltd.	100%	100%	100%	100%
Laxmi Lifesciences Pvt. Ltd.	100%	100%	100%	100%
Viva Lifesciences Pvt Ltd.	100%	100%	100%	100%
Saideep Traders	95%	95%	95%	95%
Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (w.e.f. from September 05, 2019)	100%	100%	-	-
Yellowstone Fine Chemicals Private Ltd. (w.e.f. from March 03, 2020)	100%	100%	-	-
Yellowstone Speciality Chemicals Private Ltd. (w.e.f. from April 24, 2020)	100%	-	-	-
Joint Venture				
Suhas Holding Limited (Upto February 15, 2019)	-	-	-	49%

2.3 Business combinations and goodwill

In accordance with IND AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply IND AS accounting for business combinations retrospectively. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment on transition date and at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under other equity, in the consolidated financial statements.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Restated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of Restated financial statements and reported amounts of revenues and expenses during the periods. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the Restated financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the Restated financial statements.

Estimates
The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Judgements

The Company's management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements, while formulating the Company's accounting policies:

a) **Taxes -**The Company is eligible for 100% tax holiday under section 80-IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the Company.

b) **Defined benefit plans (gratuity benefits) -**The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

Discount rate: The said parameter is subject to change. In determining the appropriate discount rate (for plans operated in India), the management considers the interest rates of government bonds in currencies which are consistent with the post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since that they do not represent high quality corporate bonds.

Mortality rate: It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

c) **Useful lives of property, plant and equipment -** The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

d) **Impairment of property, plant and equipment -** For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

e) **Impairment of investment -** For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

f) **Inventories -**The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

g) **Recognition and measurement of other Provisions -** The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

2.5 Summary of significant accounting policies

a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company'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 between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

i. It is expected to be realised or intended to be sold or consumed in normal operating cycle;
ii. It is held primarily for the purpose of trading
iii. It is expected to be realised within 12 months after the reporting period; or
iv. It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is treated as current when :

i. It is expected to be settled in normal operating cycle;
ii. It is held primarily for the purpose of trading;
iii. It is due to be settled within twelve months after the reporting period; or
iv. There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Property, plant and equipment (PPE)

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

- Long-term lease arrangements of land are treated as Property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

- Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

- The Property, plant and equipment existing on the date of transition on application of Ind AS are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 First-time Adoption of Indian Accounting Standards at previous GAAP carrying value.

c) Intangible assets

- Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

- Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

- Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

- Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

- Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Depreciation methods, estimated useful lives and residual value

- Depreciation on all assets of the Company is charged on Written down Value over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 except in case of Property Plant and Equipment of Distillery unit at Satara which is calculated on straight line method on a pro-rata basis calculated as per useful life of assets mentioned in Schedule II to the Companies Act, 2013.

- Lease hold land is amortized over the period of Lease.

e) Borrowing costs

- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

f) Impairment of Non-financial Assets:

- On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.
- An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

g) Inventories

Items of inventories are valued lower of cost or estimated net realisable value as given below.

- **Raw Materials and Packing Materials:** Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Excise duty and Value Added Tax, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method
- **Work in process:** Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.
- **Finished Goods & semi finished goods:** Finished Goods & semi finished goods are valued at lower of cost and net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition. Excise duty is considered as cost for finished goods, wherever applicable.
- **Stores and Spares:** Stores and spare parts are valued at lower of purchase Costs are determined on Weighted Average method and net realisable value.
- **Stock in Trade:** Stock in Trade is valued at lower of purchase cost and net realisable value.

h) Cash and cash equivalents

- Cash and cash equivalents comprise cash on hand and demand deposits with banks, which are short-term, highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

i) Equity investment

- All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

j) Foreign Currency Translation:

- The Company's Restated financial statements are presented in INR, which is also the Company's functional currency.
- Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- Non-monetary items, which are carried at historical cost denominated in a foreign currency, are reported using the exchange rates at the date when the fair value is determined.
- The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.
- The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

k) Provisions, Contingent Liabilities and Contingent Assets

- **Provisions:** The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.

- **Contingent liabilities**: Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.
- **Contingent Assets:** A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Restated financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

l) Onerous contracts

- A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

m) Employee Share – based payment plans ('ESOP')

- The Company accounts for the benefits of Employee share based payment plan in accordance with IND AS 102 Share Based Payments except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in IND AS 101 first time adoption.

n) Fair Value Measurement

- The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

  - In the principal market for the asset or liability, or
  - In the absence of a principal market, in the most advantageous market for the asset or liability

- The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- All assets and liabilities for which fair value is measured or disclosed in the Restated financial 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 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
  Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o) Financial instruments

i. Financial assets

- **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

- **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:
- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary , joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

- **Derecognition of financial instruments**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

- **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables; and all lease receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii. Financial liabilities

- **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

- **Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

- **Derecognition**

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.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

iv. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement - The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss

p) Revenue Recognition

- **Revenue from Operations:** The company earns revenue primarily from sale of Chemicals. Laxmi Organic Industries is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates

  Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

  Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

  Revenue is recognized at point in time when the performance obligation with respect to Sale of Chemicals or rendering of services to the Customer which is the point in time when the customer receives the goods and services.

  Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates , sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST), where applicable. Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

  Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

  The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and Customer Category.

  Use of significant judgements in revenue recognition

  - The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

  - Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

  - The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- **Other Operating Income / Other Income:**

i. Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

ii. The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

iii. Revenue in respect of Insurance /other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

iv. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

v. Dividend income is recognised when the right to receive the same is established.

vi. Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.

vii. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

viii. Financial guarantee income: Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an guarantee income to the Statement of Profit and Loss.

ix. Insurance Claim are accounted when the right to receive is established and the claim is admitted by the surveyor

q) Employee benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.
Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements Net interest expense or income and Long-term employee benefits

Compensated absences: which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits: Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value. Termination benefits are recognized as an expense in the period in which they are incurred.

r) Taxes

Tax expenses comprise Current Tax and Deferred Tax.:

i. **Current Tax:**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the Consolidated financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

s) Leases

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition i.e. April 1, 2017.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in Profit and loss account.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and Development

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

u) Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI 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.

v) Dividend Distribution

Dividend distribution to the Company’s equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company’s equity holders.

w) Trade Payables & Trade Receivables.

A payable is classified as a ‘trade payable’ if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a ‘trade receivable’ if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Summary of results of operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for Fiscals 2018, 2019 and 2020, and the six-month period ended September 30, 2020, the components of which are also expressed as a percentage of total income for such periods.

(all amounts in ₹ million except percentages)

Particulars	Six months ended September 30, 2020		Fiscal 2020		Fiscal 2019		Fiscal 2018	
	Amount	**% of total income**	**Amount**	**% of total income**	**Amount**	**% of total income**	**Amount**	**% of total income**
INCOME:								
Revenue from operations (gross)	8,134.06	99.88	15,341.23	99.71	15,685.21	99.63	13,930.74	99.79
Other income	9.49	0.12	44.98	0.29	58.02	0.37	30.01	0.21
Total Income (I)	**8,143.55**	**100.00**	**15,386.21**	**100.00**	**15,743.23**	**100.00**	**13,960.75**	**100.00**
EXPENSES:								
Cost of raw materials consumed	3,518.58	43.21	7,809.60	50.76	8,884.16	56.43	6,558.19	46.98
Purchase of stock in trade	2,093.42	25.71	2,870.66	18.66	2,496.00	15.85	3,212.96	23.01
Changes in inventories of Finished Goods, Work in progress and Stock in Trade	124.73	1.53	285.46	1.86	(423.83)	(2.69)	(87.27)	(0.63)
Excise Duty	-	-	-	-	-	-	175.51	1.26
Employee benefits expense	357.33	4.39	685.64	4.46	645.33	4.10	526.01	3.77
Finance cost	74.42	0.91	140.19	0.91	169.69	1.08	98.09	0.70
Depreciation & amortisation	227.01	2.79	488.88	3.18	440.59	2.80	312.86	2.24
Other expenses	1,186.07	14.56	2,554.39	16.60	2,550.70	16.20	2,031.42	14.55
Total expenses (II)	**7,581.56**	**93.10**	**14,834.82**	**96.42**	**14,762.64**	**93.77**	**12,827.77**	**91.88**
Profit before share of profit/(loss) of an associate/ Joint venture and exceptional items (I-II)	**561.99**	**6.90**	**551.39**	**3.58**	**980.59**	**6.23**	**1,132.98**	**8.12**
Share of profit/(loss) of a Joint Venture	-	-	-	-	(4.70)	(0.03)	0.16	0.00
Profit before exceptional items and tax (IV)	**561.99**	**6.90**	**551.39**	**3.58**	**975.89**	**6.20**	**1,133.14**	**8.12**
Exceptional items (V)	-	-	256.63	1.67	-	-	-	-
Profit before tax (IV+V)	**561.99**	**6.90**	**808.02**	**5.25**	**975.89**	**6.20**	**1,133.14**	**8.12**
Tax expense	107.15	1.32	105.90	0.69	251.98	1.60	376.19	2.69
1. Current tax	117.64	1.44	159.41	1.04	241.45	1.53	306.65	2.20
2. Deferred tax liability / (asset)	(10.49)	(0.13)	(50.61)	(0.33)	10.99	0.07	69.54	0.50
3. Income Tax (Excess)/Short Provision of previous year	-	-	(2.90)	(0.02)	(0.46)	(0.00)	-	-
Profit for the period	**454.84**	**5.59**	**702.12**	**4.56**	**723.91**	**4.60**	**756.95**	**5.42**
Other comprehensive income								
Items that will not be reclassified subsequently to profit or loss		-		-		-		-
Remeasurement of the net defined benefit (net of tax)	1.00	0.01	(5.29)	(0.03)	(1.00)	(0.01)	3.11	0.02
		-		-		-		-
Total other comprehensive income, net of tax	1.00	0.01	(5.29)	(0.03)	(1.00)	(0.01)	3.11	0.02
		-		-		-		-
Total comprehensive income for the year	455.84	5.60	696.83	4.53	722.91	4.59	760.06	5.44
		-		-		-		-
Profit/(Loss) attributable to:		-		-		-		-
Owners of the Company	454.84	5.59	700.75	4.55	723.91	4.60	756.95	5.42
Non- Controlling Interest	-	-	1.37	0.01	-	-	-	-

Principal Components of Statement of Profit and Loss

Income:

Our income comprises of our revenue from operations and other income. Our revenue from operations comprises of (i) revenue generated from sale of own manufactured products including chemicals and other traded products (both in India and overseas); and rendering of services in the form of job work and other services; and (ii) other operating revenue comprises of revenue from sale of scrap, export incentives, surplus from duty entitlement pass book purchased at discount and insurance claims, if any.

Our other income primarily includes interest income on financial assets, sundry balances written back, reversal of expected credit loss and other miscellaneous income.

The following table sets forth certain information with respect to our revenue from operations as per our Restated Consolidated Financial Statements for the periods indicated:

(all amounts in ₹ million except percentages)

Particulars	Six months ended September 30, 2020		Fiscal 2020		Fiscal 2019		Fiscal 2018	
	Amount	**%***	**Amount**	**%***	**Amount**	**%***	**Amount**	**%***
Revenue from operations:								
Sales/ Rendering:								
- Products	8,060.19	99.09	15,217.14	99.19	15,527.65	99.00	13,822.06	99.22
- Services	35.43	0.44	52.29	0.34	66.27	0.42	26.82	0.19
	8,095.62	**99.53**	**15,269.43**	**99.53**	**15,593.92**	**99.42**	**13,848.88**	**99.41**
Other Operating Revenue:								
Sale of Scrap	2.84	0.03	3.43	0.02	7.86	0.05	5.98	0.04
Export Incentives	35.41	0.44	66.05	0.43	79.96	0.51	54.68	0.39
Income from DEPB purchase at discount	-	-	2.21	0.01	2.20	0.01	16.14	0.12
Insurance claim received	0.19	0.00	0.11	0.00	1.27	0.01	5.06	0.04
	38.44	**0.47**	**71.80**	**0.47**	**91.29**	**0.58**	**81.86**	**0.59**
Total	**8,134.06**	**100.00**	**15,341.23**	**100.00**	**15,685.21**	**100.00**	**13,930.74**	**100.00**

**Expressed as a percentage of revenue from operations for the respective period.*

Expenses

Our expenses include the following:

1. Cost of raw materials consumed which comprises of the cost of the raw materials (indigenous and imported) consumed.

2. Purchase of stock in trade which comprises purchase of chemicals and other materials which are traded.

3. Changes in inventories of finished goods and work-in progress and stock in trade.

4. Excise duty relates to such duty on goods manufactured during the relevant fiscal period. GST was introduced in India effective July 1, 2017 and it replaced all excise duties that were applicable to our products. As a result, excise duty was only applicable for three months in Fiscal 2018.

5. Employee benefit expenses which include salaries, wages, bonus, contributions to employees' gratuity and other funds, provision for leave encashment expenses, directors' remuneration and staff welfare expenses.

6. Finance costs comprise of: (a) interest on financial liabilities (at amortized cost); (b) interest on direct and indirect taxes; (c) other borrowing costs; and (d) amortisation of upfront fees.

7. Depreciation and amortisation expenses comprise of depreciation on fixed assets including property, plant and equipment and other assets including depreciation on right of use assets and amortisation.

8. Other expenses primarily comprise of expenditure on (a) power and fuels; (b) consumption of consumables stores, spares and packing materials; (d) labour charges; (e) inward freight charges on stores, spares purchased and outward freight including export freight charges; (f) repair and maintenance of buildings, machinery and others; (g) transportation charges; (h) commission on sales; (i) insurance charges; (j) professional and legal expenses; (k) travelling and vehicle expenses; (l) exchange losses; and (m) other miscellaneous expenditure.

Six months ended September 30, 2020

Total income

Our total income was ₹ 8,143.55 million for the six months ended September 30, 2020.

Revenue from operations

Our revenue from operations was ₹ 8,134.06 million for the six months ended September 30, 2020.

Revenue from sale of products and services: Our revenue from the sale of our products and rendering of services for the six months ended September 30, 2020 was ₹ 8,095.62 million.

Other operating revenue: Our other operating revenue for the six months ended September 30, 2020 was ₹ 38.44 million.

Other income

Our other income for the six months ended September 30, 2020 was ₹ 9.49 million.

Expenses

Our total expenses for the six months ended September 30, 2020 was ₹ 7,581.56 million.

Cost of raw materials consumed

Our cost of raw materials consumed for the six months ended September 30, 2020 was ₹ 3,518.58 million.

Purchase of stock-in trade

Purchase of stock-in trade for the six months ended September 30, 2020 was ₹ 2,093.42 million.

Changes in inventories of finished goods, work-in progress and stock-in-trade

Change in inventories of finished goods, work-in-progress and stock-in trade for the six months ended September 30, 2020 was ₹ 124.73 million.

Employee benefit expenses

Our employee benefit expenses for the six months ended September 30, 2020 was ₹ 357.33 million.

Finance costs

Our finance costs for the six months ended September 30, 2020 was ₹ 74.42 million.

Depreciation and amortisation expenses

Our depreciation and amortisation expense for the six months ended September 30, 2020 was ₹ 227.01 million.

Other expenses

Our other expenses for the six months ended September 30, 2020 aggregated to ₹ 1,186.07 million.

Profit before tax

Our profit before tax for the six months ended September 30, 2020 was ₹ 561.99 million.

Tax expenses

Our tax expenses for the six months ended September 30, 2020 was ₹ 107.15 million.

Profit after tax

Our profit after tax for the six months ended September 30, 2020 was ₹ 454.84 million.

Fiscal 2020 compared to Fiscal 2019

Total income

Our total income decreased by 2.27% to ₹ 15,386.21 million in Fiscal 2020 from ₹ 15,743.23 million in Fiscal 2019, due to decrease in revenue from operations as mentioned below.

Revenue from operations

Our revenue from operations decreased by 2.19% to ₹ 15,341.23 million in Fiscal 2020 from ₹ 15,685.21 million in Fiscal 2019, predominantly as a result of a decrease in our revenue from the sale of our products for the reasons mentioned below.

Revenue from sale of products and services: Our revenue from the sale of our products and services decreased by 2.08% to ₹ 15,269.43 million in Fiscal 2020 from ₹ 15,593.92 million in Fiscal 2019, primarily as a result of the reduction in the annual average price of: (i) ethyl acetate by approximately 19%, (ii) Acetyl Intermediates by approximately 16% and (iii) acetic anhydride price by approximately 33%, in comparison to the annual average prices in Fiscal 2019. Further, the revenue from operations was also affected by reduction in the weighted average price of the Specialty Intermediates by approximately 9% in comparison to Fiscal 2019. However, our revenue from sale of chemicals increased by 1.41% to ₹ 15,151.90 million in Fiscal 2020 from ₹ 14,941.69 million in Fiscal 2019.

Other operating revenue: Our other operating revenue decreased by 21.35% to ₹ 71.80 million in Fiscal 2020 from ₹ 91.29 million in Fiscal 2019, primarily as a result of decrease in export incentives.

Other income

Our other income reduced by 22.48% to ₹ 44.98 million in Fiscal 2020 from ₹ 58.02 million in Fiscal 2019 due to a decrease in sundry balances written back and a decrease in miscellaneous income, which was offset by an increase in interest income on financial assets.

Expenses

Our total expenses marginally increased by 0.49% to ₹ 14,834.82 million in Fiscal 2020 from ₹ 14,762.64 million in Fiscal 2019, primarily due to an increase in expenditure on purchase of stock in trade, employee benefit expenses and depreciation and amortization.

Cost of raw materials consumed

Our cost of raw materials consumed decreased by 12.10% to ₹ 7,809.60 million in Fiscal 2020 from ₹ 8,884.16 million in Fiscal 2019. Further, as a percentage of our total income, the cost of raw materials consumed decreased to 50.76% in Fiscal 2020 from 56.43% in Fiscal 2019. This decrease in cost of raw materials consumed as well as value of raw materials consumed as a percentage of our total income was primarily due to reduction in the price of acetic acid, which is one of our key raw materials, and other commodities.

Purchase of stock in trade

Our purchase of stock in trade increased by 15.01% to ₹ 2,870.66 million in Fiscal 2020 from ₹ 2,496.00 million in Fiscal 2019, primarily due to an increase in purchase of chemicals and other products.

Changes in inventories of finished goods, work-in progress and stock-in-trade

Change in inventories of finished goods, work-in-progress and stock-in trade was ₹285.46 million in Fiscal 2020 as compared to ₹ (423.83) million in Fiscal 2019. The change in inventory of finished goods and work-in-progress was higher for Fiscal 2020 as compared to Fiscal 2019 due to reduction in the overall inventory holding.

Employee benefit expenses

Our employee benefit expenses increased by 6.25% to ₹685.64 million in Fiscal 2020 from ₹645.33 million in Fiscal 2019, primarily due to an increase in salaries, wages and bonus and staff welfare expenses, primarily on account of increase in number of employees. The increase in employee benefit expenses was offset by a decrease in directors' remuneration.

Finance costs

Our finance costs decreased by 17.38% to ₹140.19 million in Fiscal 2020 from ₹ 169.69 million in Fiscal 2019, primarily due to a decrease in interest on financial liabilities (at amortized cost).

Depreciation and amortisation expenses

Our depreciation and amortisation expense collectively increased by 10.96 % to ₹ 488.88 million in Fiscal 2020 from ₹440.59 million in Fiscal 2019, primarily due to increase in gross/net block.

Other expenses

Our other expenses increased marginally by 0.14% to ₹2,554.39 million in Fiscal 2020 from ₹2,550.70 million in Fiscal 2019.

Further, as a percentage of our total income, other expenses increased to 16.60% in Fiscal 2020 from 16.20% in Fiscal 2019.

Exceptional items

During the Fiscal 2020, our Company recognised income amounting ₹ 256.63 million (net) from exceptional items which included (i) eligibility certificates from the Directorate of Industries, Government of Maharashtra under the Package Incentive Scheme – 2007 for electricity duty exemption pursuant to which MSEDCL confirmed a refund of electricity duty amounting to ₹ 152.24 million; and (ii) eligibility certificates from Directorate of Industries, Government of Maharashtra under Package Scheme Incentive – 2013 pursuant to which the Directorate of Industries and VAT department sanctioned a refund amounting to ₹ 150.14 million.

Profit before tax

As a result of the foregoing factors, our profit before tax decreased by 17.20% to ₹808.02 million in Fiscal 2020 from ₹975.89 million in Fiscal 2019.

Tax expenses

Our tax expenses decreased by 57.97% to ₹ 105.90 million in Fiscal 2020 from ₹ 251.98 million in Fiscal 2019, due to a decrease in our profit resulting in a decrease in current tax and deferred tax liability.

Profit after tax

As a result of the foregoing factors, our profit after tax decreased by 3.01% to ₹702.12 million in Fiscal 2020 from ₹723.91 million in Fiscal 2019, comprising 4.56% and 4.60% of our total income in Fiscal 2020 and Fiscal 2019 respectively.

Fiscal 2019 compared to Fiscal 2018

Total income

Our total income increased by 12.77% to ₹15,743.23 million in Fiscal 2019 from ₹ 13,960.75 million in Fiscal 2018 for the reasons mentioned below.

Revenue from operations

Our revenue from operations increased by 12.59% to ₹15,685.21 million in Fiscal 2019 from ₹ 13,930.74 million in Fiscal 2018, primarily due to as a result of an increase in our revenue from the sale of our products.

Revenue from sale of products and services: Our revenue from the sale of our products and services increased by 12.60% to ₹ 15,593.92 million in Fiscal 2019 from ₹ 13,848.88 million in Fiscal 2018, primarily as a result of increase in (i) overall volumes of Acetyl Intermediates; (ii) increase in average annual price of ethyl acetate and acetic anhydride by approximately 22% and 21%, respectively, compared to Fiscal 2018 (iii) increase in weighted average price of Specialty Intermediates by approximately 21% compared to Fiscal 2018; which was offset by a decrease in sale of traded goods.

Other operating revenue: Our other operating revenue increased by 11.52% to ₹ 91.29 million in Fiscal 2019 from ₹ 81.86 million in Fiscal 2018, primarily as a result of increase in export incentives.

Other income

Our other income increased by 93.31% to ₹ 58.02 million in Fiscal 2019 from ₹ 30.01 million in Fiscal 2018 primarily due to increase in interest income on financial assets, sundry balances written back and miscellaneous income.

Expenses

Our total expenses increased by 15.08% to ₹ 14,762.64 million in Fiscal 2019 from ₹ 12,827.77 million in Fiscal 2018, for the reasons mentioned below.

Cost of raw materials consumed

Our cost of raw materials consumed increased by 35.47% to ₹ 8,884.16 million in Fiscal 2020 from ₹ 6,558.19 million in Fiscal 2018. Further, as a percentage of our total income, the cost of raw materials consumed increased to 56.43% in Fiscal 2019 from 46.98 % in Fiscal 2018. This increase in cost of raw materials consumed as well as value of raw materials consumed as a percentage of our total income was primarily due to increase in the cost of raw materials, including acetic acid, one of our key raw materials.

Purchase of stock in trade

Our purchase of stock in trade decreased by 22.31% to ₹ 2,496.00 million in Fiscal 2019 from ₹ 3,212.96 million in Fiscal 2018, primarily due to a decrease in purchase of chemicals, other products and traded goods.

Changes in inventories of finished goods, work-in progress and stock-in-trade

Change in inventories of finished goods, work-in-progress and stock-in trade was ₹ (423.83) million in Fiscal 2019 as compared to ₹ (87.27) million in Fiscal 2018. The change in inventory of finished goods and work-in-progress was lower for Fiscal 2019 as compared to Fiscal 2018 due to increase in finished goods inventories.

Employee benefit expenses

Our employee benefit expenses increased by 22.68% to ₹645.33 million in Fiscal 2019 from ₹ 526.01 million in Fiscal 2018, primarily due to an increase in salaries, wages and bonus, and contribution to employee gratuity, leave encashment and other funds, primarily on account of increase in number of employees.

Finance costs

Our finance costs increased by 72.99% to ₹ 169.69 million in Fiscal 2019 from ₹ 98.09 million in Fiscal 2018, due to an increase in overall borrowings and consequent increase in interest on financial liabilities (at amortized cost).

Depreciation and amortisation expenses

Our depreciation and amortisation expense collectively increased by 40.82 % to ₹ 440.59 million in Fiscal 2019 from ₹ 312.86 million in Fiscal 2018 primarily due to higher capital expenditure.

Other expenses

Our other expenses increased by 25.56% to ₹2,550.70 million in Fiscal 2019 from ₹ 2,031.42 million in Fiscal 2018, primarily due an increase in power and fuel expenses, professional and legal expenses, transportation charges, outward export freight charges and labour charges.

Further, as a percentage of our total income, other expenses increased to 16.20% in Fiscal 2019 from 14.55% in Fiscal 2018.

Profit before tax

As a result of the foregoing factors, our profit before tax decreased by 13.88% to ₹975.89 million in Fiscal 2019 from ₹ 1,133.14 million in Fiscal 2018.

Tax expenses

Our tax expenses decreased by 33.02% to ₹ 251.98 million in Fiscal 2019 from ₹ 376.19 million in Fiscal 2018, due to a decrease in our profit resulting in a decrease in current tax and deferred tax liability.

Profit after tax

As a result of the foregoing factors, our profit after tax decreased by 4.37% to ₹723.91 million in Fiscal 2019 from ₹756.95 million in Fiscal 2018, comprising 4.60% and 5.42% of our total income in Fiscal 2019 and Fiscal 2018 respectively.

Liquidity and capital resources

We fund our operations primarily with cash flow from operating activities and borrowings under term loan and working capital facilities from banks and financial institutions as well as government grants. We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions. To the extent we do not generate sufficient cash flow from operating activities, we may rely on debt financing activities, subject to market conditions.

Cash Flows

Our cash and cash equivalents comprising bank balances and cash on hand as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 was ₹ 266.08 million, ₹ 241.10 million, ₹ 76.45 million and ₹ 52.36 million.

The following table sets out a summary of our cash flows for the periods indicated:

(*in ₹ million*)

Particulars	Six months ended September 30, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
Net cash flow from / (used in) operating activities (A)	354.74	1,960.03	1,876.53	(67.49)
Net cash flow from / (used in) investing activities (B)	(577.59)	(557.62)	(1,225.48)	(850.26)
Net cash flow from / (used in) financing activities (C)	247.84	(1,237.75)	(626.96)	847.21
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	24.98	164.65	24.09	(70.55)

Operating activities

Six months ended September 30, 2020

During the six months ended September 30, 2020, our operating profit before working capital changes was ₹ 863.64 million and our net cash generated from operating activities was ₹ 354.74 million. The difference between the operating profit before working capital changes and net cash generated from operating activities was primarily attributable to a decrease in trade payables by ₹ 1,040.82 million and financial liabilities by ₹ 124.02 million, which was partially offset by a decrease in inventories by ₹ 256.79 million, trade receivables by ₹ 246.18 million, non-financial assets by ₹146.79 million and financial assets by ₹ 82.66 million. Net income tax paid during the six months ended September 30, 2020 was ₹ 108.13 million.

Fiscal 2020

During Fiscal 2020, our operating profit before working capital changes was ₹ 1,109.08 million and our net cash generated from operating activities was ₹ 1,960.03 million. The difference between the operating profit before working capital changes and the net cash generated from operating activities was primarily attributable to an increase in trade payables by ₹ 1,021.25 million, a decrease in non-financial assets by ₹ 288.33 million and a decrease in inventories by ₹ 188.57 million, which was partially offset by an increase in trade receivables by ₹ 357.16 million and financial assets by ₹181.24 million. Net income tax paid by us during Fiscal 2020 was ₹ 155.08 million.

Fiscal 2019

During Fiscal 2019, our operating profit before working capital changes was ₹ 1,585.68 million and our net cash generated from operating activities was ₹ 1,876.53 million. The difference between the operating profit before working capital changes and the net cash generated from operating activities was primarily attributable to an increase in trade payables by ₹ 1,014.39 million, which was partially offset by an increase in inventories by ₹ 249.16 million and non-financial assets by ₹117.75 million. Net income tax paid by us during Fiscal 2019 was ₹ 275.83 million.

Fiscal 2018

During Fiscal 2018, our operating profit before working capital changes was ₹ 1,535.15 million and our net cash used in operating activities was ₹ 67.49 million. The difference between the operating profit before working capital changes and the net cash used in operating activities was primarily attributable to an increase in trade receivables by ₹ 921.43 million, inventories by ₹ 712.07 million and non-financial assets by ₹ 276.27 million which was partially offset by an increase in trade payables by ₹ 508.04 million and financial liabilities by ₹110.49 million. Net income tax paid by us during Fiscal 2018 was ₹ 273.66 million.

Investing activities

Six months ended September 30, 2020

Our net cash used in investing activities in the six months ended September 30, 2020, was ₹ 577.59 million, on account of movement in other bank balances aggregating to ₹ 350.76 million and capital expenditure on property, plant and equipment aggregating to ₹ 235.58 million, which was partially offset by interest received aggregating to ₹ 8.75 million.

Fiscal 2020

Our net cash used in investing activities in Fiscal 2020, was ₹ 557.62 million, on account of capital expenditure on property, plant and equipment aggregating to ₹ 770.82 million, which was partially offset by movement in other bank balances aggregating to ₹ 179.67 million, interest received aggregating to ₹ 31.49 million and proceeds from sale of property, plant and equipment aggregating to ₹ 2.04 million.

Fiscal 2019

Our net cash used in investing activities in Fiscal 2019, was ₹ 1,225.48 million, on account of capital expenditure on property, plant and equipment aggregating to ₹ 974.88 million and movement in other bank balances aggregating to ₹ 337.75 million, which was partially offset by sale of investments aggregating to ₹ 71.82 million, interest received aggregating to ₹ 13.83 million and proceeds from sale of property plant and equipment aggregating to ₹ 1.51 million.

Fiscal 2018

Our net cash used in investing activities in Fiscal 2018, was ₹ 850.26 million, on account of capital expenditure on property, plant and equipment aggregating to ₹ 884.88 million and purchase of investments aggregating to ₹ 26.25 million, which was partially offset by movement in other bank balances aggregating to ₹ 50.88 million, interest received aggregating to ₹ 9.09 million and proceeds from sale of property, plant and equipment aggregating to ₹ 0.90 million.

Financing activities

Six months ended September 30, 2020

Our net cash generated from financing activities in the six months ended September 30, 2020 was ₹ 247.84 million, primarily on account of net proceeds from short term borrowings aggregating to ₹ 296.51 million and proceeds from long term borrowings aggregating to ₹ 250.00 million, which were partially offset by repayment of long term borrowings aggregating to ₹ 213.12 million and interest paid aggregating to ₹ 69.59 million.

Fiscal 2020

Our net cash used in financing activities in Fiscal 2020 was ₹ 1,237.75 million, primarily on account of buyback of equity shares of our Company aggregating to ₹ 820.13 million, repayment of long term borrowings aggregating to ₹ 340.69 million, net proceeds from short term borrowings aggregating to ₹ (330.08) million, interest paid aggregating to ₹ 113.99 million and buy back tax aggregating to ₹ 80.40 million, which was partially offset by proceeds from long term borrowings aggregating to ₹ 499.69 million.

Fiscal 2019

Our net cash used in financing activities in Fiscal 2019 was ₹ 626.96 million, primarily on account of net proceeds from short term borrowings aggregating to ₹ (721.77) million, repayment of long term borrowings aggregating to ₹ 264.64 million and interest paid aggregating to ₹ 158.67 million, which was partially offset by proceeds from long term borrowings aggregating to ₹ 563.82 million.

Fiscal 2018

Our net cash generated from financing activities in Fiscal 2018 was ₹ 847.21 million, primarily on account of net proceeds from short term borrowings aggregating to ₹ 862.60 million and proceeds from long term borrowings aggregating to ₹ 400.00 million, which were partially offset by repayment of long-term borrowings aggregating to ₹ 290.49 million and interest paid aggregating to ₹ 89.71 million.

Financial Indebtedness

Our total borrowings as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 was ₹ 1,921.79 million, ₹ 1,588.40 million, ₹ 1,753.26 million and ₹ 2,150.61 million. For further, details in relation to our financial indebtedness as at January 31, 2021, see "*Financial Indebtedness"* on page 337.

The following table provides the types and amounts of our outstanding indebtedness as at the dates indicated:

(in ₹ million)

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Long-term borrowings (at amortised cost)				
Term loans	895.61	890.77	731.18	506.24
Vehicle loans	0.57	1.04	1.92	2.72
Government grant	6.48	9.72	12.96	22.05
Total long term borrowings (A)	**902.66**	**901.53**	**746.06**	**531.01**
Current maturities of long-term				

Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
borrowings				
Term loans	382.02	346.30	330.79	218.98
Vehicle loans	0.92	0.88	0.80	1.09
Government grant	3.24	3.24	9.09	11.24
Total current maturities of long-term borrowings (B)	**386.18**	**350.42**	**340.68**	**231.31**
Short term borrowings (at amortised cost)				
Cash credit facilities	139.46	251.34	517.95	1,381.50
Short term loans	400.00	-	100.00	-
Bill discounting	83.57	75.12	38.87	-
Loans from Directors	9.92	9.99	9.70	6.78
Total short term borrowings (C)	**632.95**	**336.45**	**666.52**	**1,388.28**
Total borrowings (A+B+C)	**1,921.79**	**1,588.40**	**1,753.26**	**2,150.60**

Key performance ratios

Particulars	Six months ended September 30, 2020	Year ended		
		March 31, 2020	March 31, 2019	March 31, 2018
EBITDA (₹ in million)	863.42	1,437.09	1,586.17	1,544.09
EBITDA/Total Income (%)	10.60%	9.34%	10.08%	11.06%
PAT Margin (%)	5.59%	4.56%	4.60%	5.42%
Return on Capital Employed (%)	10.87%	17.50%	20.65%	26.57%
Return on Equity (%)	10.12%	15.99%	17.46%	22.13%
Asset turnover ratio	0.77	1.47	1.64	1.82
Working capital turnover ratio	5.85	10.86	11.34	14.53

Notes:

1. *EBITDA = Restated profit/(loss) for the respective period (after exceptional item) + tax expenses + finance costs + depreciation and amortisation.*
2. *PAT Margin = Profit after tax for the respective period / total income for the respective period, on a restated basis.*
3. *Return on Capital Employed = EBIT / Capital Employed*
4. *EBIT = Restated profit/(loss) for the respective period (after exceptional item) + tax expenses + finance costs*
5. *Capital Employed = Total assets minus current liabilities, on a restated basis*
6. *Return on Equity = Profit attributable to owners of the Company / Average shareholders equity*
7. *Shareholders equity = Equity share capital + Other Equity*
8. *Asset Turnover = Total Income / Average Total Assets*
9. *Working capital turnover ratio = Total Income / Average working capital*
10. *Working Capital = Current assets - Current liabilities*
11. *Figures for September 30, 2020 are not annualised.*

Contingent liabilities

As on September 30, 2020, we had certain contingent liabilities that have not been provided for in the Restated Consolidated Financial Statements:

Serial no.	Particulars	Amount (₹ in million)
(i)	**Contingent liabilities**	
	(a) Liabilities Disputed - Appeals filed with respect to :	
	(i) Disputed Excise/ Custom Matters in Appeals	7.51
	(ii) Income Tax on account of Disallowances / Additions and default of TDS	4.71
	(iii) VAT credits disallowed by the authorities against which our Company has preferred appeals.	4.29
	(b) Guarantees:	
	(i) Given on behalf of WOS to their vendors	-
	(ii) Given on behalf of WOS to their lenders	1,700.00
	(iii) Furnished by banks on behalf of our Company	45.08
	(c) Other money for which our Company is contingently liable (give details)	
	(i) Standby letters of credit issued by the Company's bankers to the bankers of WOS	321.02
(ii)	**Letters of Credit**	580.16

For further information on our contingent liabilities, see "*Restated Consolidated Financial Statements – 32. Contingent liabilities and commitments (to the extent not provided for)*" on page 279.

Commitments

As at September 30, 2020, the estimated amount of contracts remaining to be executed by us on capital account (net of advances) and not provided for was ₹ 37.16 million and the export obligation under the advance license scheme on duty free import of specific raw materials remaining outstanding and not provided for was ₹ 1,835.72 million.

The following table analyses our Company's financial liabilities into relevant maturity companying's based on their contractual maturities as of September 30, 2020:

(*in ₹ million*)

Particulars	Within one year	Within one to two years	Within two to five years	More than five years
Borrowings*	1,019.11	410.82	491.85	-
Trade Payables	3,093.45	-	-	-
Other financial liabilities	145.33	-	-	-
Total	**4,257.89**	**410.82**	**491.85**	-

**includes current maturities of non-current borrowings*

Capital Expenditure

In the six months ended September 30, 2020, we acquired property, plant and equipment for ₹ 166.46 million, primarily on plant and machinery and factory building. In Fiscal 2020, we acquired property, plant and equipment for ₹ 410.7 million, primarily on plant and machinery and factory building. In Fiscal 2019, we acquired property, plant and equipment for ₹ 959.64 million, primarily on plant and machinery and factory building. In Fiscal 2018, we acquired property, plant and equipment for ₹ 1,066.86 million, primarily on plant and machinery and factory building.

With respect to research and development, we have incurred capital expenditure of ₹ 1.07 million, ₹ 11.28 million, ₹ 10.60 million and ₹ 58.44 million during the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018.

Off-balance sheet arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Related Party Transactions

We have entered into transactions with a number of related parties. For further information regarding our related party transactions, please refer to "*Restated Consolidated Financial Statements – Annexure 1 – Related Party Disclosures*" on page 289.

Quantitative and qualitative analysis of financial risks

In the course of business, amongst others, our Company is exposed to several financial risks arising from our underlying operations and finance activities. Our Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk.

(a) Market risk Our Company is exposed to the market risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. Our Company enters into the derivative contracts as approved by the Board to manage our exposure to interest rate risk and foreign currency risk, from time to time. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Details of the foreign currency risk and interest rate risk are set forth below

    Foreign currency risk: Our Company is exposed to the foreign currency risk arising out of fluctuations in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in our Company is attributable to company's operating activities and financing activities. In the operating activities, our Company's exchange rate risk primarily arises when revenue/costs are generated in a currency that is different from the reporting currency. Our Company manages the net exposure based on a duly approved policy by the Board. The information is monitored by the Audit Committee and the Board on a quarterly basis. This risk exposure of our Company is mainly in USD and EUR. For further details, see "*Restated Consolidated Financial Statements*" on page 233.

    Interest rate risk: Our Company is exposed to the interest rate risk arises from movements in interest rates which could have effects on our Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest bearing assets and liabilities. Our Company's exposure to the risk of changes in market interest rates relates primarily to our Company's long-term debt obligations with floating interest rates. Our Company manages our interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. For further details, see "*Restated Consolidated Financial Statements*" on page 233.

(b) Credit risk: Our Company is exposed to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. To manage trade receivables, our Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables. For further details, see "*Restated Consolidated Financial Statements*" on page 233.

(c) Liquidity risk: Our Company is exposed to the risk of of non-availability of financial facilities available to our Company to meet its financial obligations. Our Company seeks to maintain a balance between continuity of funding and flexibility using money market instruments, bank overdrafts, bank loans and other types of facilities. Our Company assesses the concentration of risk with respect to refinancing its debt, guarantee given, and funding of its capital expenditure needs of the future. Our Company manages its liquidity by holding appropriate volumes of liquid assets which are available to its disposal on T+1 basis and by maintaining open credit lines with banks / financial institutions. For further details, see "*Restated Consolidated Financial Statements*" on page 233.

Total turnover of each major industry segment in which our company operated

We are engaged in the manufacturing in chemicals manufacturing and power generation. During Fiscals 2020, 2019 and 2018, the power generation business does not meet the criteria mentioned in para 13 of Ind AS 108 on "Operating Segment" and hence the same is not separately disclosed in the Restated Consolidated Financial Statements. Accordingly, the chemicals business is our only operating segment in terms of Ind AS 108 on

"Operating Segment".

Seasonality

Seasonality does not have a material impact on our operations. However, certain of our products and raw materials are affected by seasonality. For details, see "*Risk Factors- Any increase in the cost of our raw material or other purchases or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.*" on page 32.

Unusual or infrequent events or transactions

Except as described in this Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties

Other than as described in this chapter and the section "*Risk Factors*" starting on page 27, to our knowledge there are no known trends or uncertainties that have had or are expected to have a material adverse impact on our sale, revenues or income from continuing operations.

Significant economic changes that materially affected or are likely to affect income from operations

Other than as described in this chapter, the chapters "*Our Business*" and "*Industry Overview*" beginning on pages 164 and 131 respectively and the section "*Risk Factors*" beginning on page 27, there have been no significant economic changes that materially affected or are likely to affect our income from operations.

Material increases in net income and sales

Increases in our net income and sales are primarily due to the reasons described in *"-Summary of Results of Operations*" above on page 322.

Significant dependence on a single or few customers or suppliers

We do not have significant dependence on single or few customers. During the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, there was no single customer contributing to more than 10% of the total sales for the year.

In the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, purchases of raw materials made by us from our top ten suppliers represented 75.59%, 80.84%, 67.51% and 77.98%, respectively, of our total expenses on a consolidated basis for such periods.

New products or business segments

Other than as described in the chapter "*Our Business*" on page 164, we have not announced and do not expect to announce in the near future any new products or new business segments.

Future relationship between cost and revenue

Other than as described elsewhere in this chapter, the section "*Risk Factors*" and the chapter "*Our Business*" beginning on pages 27 and 164, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Competitive Conditions

For a description of the competitive conditions in which we operate, see "*Our Business—Competitors*" and "*Industry Overview*" on pages 180 and 131 respectively.

Changes in accounting policies

In order to have uniformity in accounting policies, all the accounting policies have been applied in the Restated Consolidated Financial Statements from April 1, 2017 using the modified retrospective method. Such restatement was only on account of adoption of Ind AS 116 on "Leases", which has been for the purposes of Restated Consolidated Financial Statements been effective from April 1, 2017. For the summary of changes made in the Restated Consolidated Financial Statements as compared to our audited consolidated financial statements, see "*Restated Consolidated Financial Statements-44. Statement on adjustment to Restated Consolidated financials*" on page 286.

Significant Developments after September 30, 2020

Except as disclosed below, to our knowledge, no circumstance have arisen after September 30, 2020, the last date of the Restated Consolidated Financial Statements, which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

Pursuant to the Pre-IPO Placement, we have on February 27, 2021 and on March 1, 2021 allotted an aggregate of 15,503,875 Equity Shares on a preferential basis for an aggregate consideration of ₹ 2,000.00 million at a price of ₹129.00 per Equity Share.

FINANCIAL INDEBTEDNESS

We avail loans and financing facilities in the ordinary course of our business for meeting our working capital and business requirements. For details of the borrowing powers of our Board, see "*Our Management- Borrowing Powers*" on page 207.

We have obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

The details of the indebtedness of the Company (on a consolidated basis) as on January 31, 2021 is provided below:

Category of borrowing	**Sanctioned amount (₹ in million)**	**Outstanding amount (in ₹ million)**
Secured		
Term loans	1,850.00	1,393.14
ECB Term loan	$ 4.00 (INR equivalent ₹. 260.90 million) ^	165.77
Working capital facilities(@)	4,344.40	NIL
Vehicle loan	-	1.19
Total secured facilities (A)	**6,455.30**	**1,560.10**
Unsecured		
Bill discounting	300.00	173.13
Working Capital facilities(@)	800.00	NIL
Government grants	-	9.72
Loan from shareholder	-	6.50
Total unsecured facilities (B)	**1,100.00**	**189.35**
Total borrowings (C=A + B)	**7,555.30**	**1,749.45**
Borrowings of our Subsidiaries		
Secured		
Term loans	1,570.00	400.00
Working capital facilities#	308.24	297.69
Total secured facilities (D)	**1,878.24**	**697.69**
Unsecured		
Loan from director and shareholder	-	0.32
Total unsecured facilities (E)	-	**0.32**
Total borrowings (F= D + E)	**1,878.24**	**698.01**
Total consolidated borrowings (C+F)	**9,433.54**	**2,447.46**

^ Exchange rate of 1 USD = INR 65.2261 (March 1, 2018 day on which ECB sanction was received)
 # Exchange rate of 1 USD = INR 72.9297 (January 25, 2020 day on which working capital of USD 2.25 million sanction was received) and 1 Euro = 86.4392 (October 6, 2020 day on which offer letter was received)
@ includes non-fund based limit sanctioned

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

1. ***Interest:*** In terms of the facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different facilities.

   The interest rates for the facilities availed by our Company in foreign and domestic currencies respectively typically range as under:

   - Foreign currency denominated loans / facilities: 3 months USD LIBOR + 170 bps to 240 bps p.a.
   - Domestic currency denominated loans: 1 year MCLR + 25 bps to 115 bps p.a.

- Weighted average interest rate for short term facilities availed by our Company: 4.81% p.a. (on a standalone basis)

2. ***Penal Interest***: The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, breach of financial covenants, non-submission of annual financial statements and stock statements, diversion of funds, non-perfection of security within permitted timelines, irregularity/ overdrawing in the account *etc.* Further, the default interest payable on the facilities availed by us typically ranges from one per cent to four per cent *per annum*.

3. ***Pre-payment penalty:*** The terms of facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding loan amount on giving notice to the concerned lender, subject to such prepayment penalties as laid down in the facility agreements. The prepayment premium for the facilities availed by us, where specified, is typically two per cent of the sanctioned amount or principal outstanding at the discretion of the lender.

4. ***Validity/Tenor:*** The working capital facilities availed by us are available for a period of six (6) months to twelve (12) months, subject to periodic review by the relevant lender. The tenor of the term loans availed by us are typically for a tenor of five (5) years.

5. ***Security:*** In terms of our secured borrowings, we are required to *inter alia*:

   (a) create charge over: (i) our present and future current assets; and (ii) certain of our movable and immovable fixed assets;

   (b) furnish guarantees from one of our Promoters, Ravi Goenka and two members of our Promoter Group, namely Vasudeo Goenka and Rajeev Goenka; and

   (c) furnish corporate guarantees or stand-by letters of credit in the name of our Company, with respect to loans availed by certain Subsidiaries

6. ***Repayment:*** The working capital facilities are typically repayable on demand. The term loans are typically repayable in structured instalments.

7. ***Key Covenants:*** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, such as following:

   (a) effecting any change of control and ownership;

   (b) effecting any change in our capital structure where the shareholding of the existing promoter gets diluted below current levels or leads to dilution in controlling stake for any reason effecting any change in the management set-up;

   (c) making any amendments in the Memorandum of Association or Articles of Association;

   (d) attempting or purporting to alienate or creating any mortgage, charge, pledge, hypothecation or lien or encumbrance over our assets;

   (e) change its constitution / composition and / or undertake or permit any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary

   (f) repay or pay any principal or interest on any loans availed by the Company;

   (g) enter into any contract or arrangement whereby its business or operations are controlled, directly or indirectly, by another person;

   (h) declare or pay any dividend or authorise any distribution to its shareholders, unless in cases specified per the terms of the loan agreement;

(i) invest by way of share capital or lend or advance fund to or place deposits with other concern, including sister/associate/family/subsidiary/ group concerns, with the exception of normal trade credit or security deposit in the ordinary course of business;

(j) pledging of the shares of the Promoter to any lender;

(k) undertake guarantee obligation on behalf of any third party or any other company.

8. ***Events of default:*** Borrowing arrangements entered into by us, contain standard events of default, including:

(a) default in payment of interest or instalment amount due;

(b) non-compliance of financial covenants;

(c) any default under any other facility from any bank or financial institution;

(d) cross default and cross-acceleration with any other financial indebtedness of the borrower/promoters/promoter directors/directors or any of its Subsidiaries;

(e) any change of ownership, control and/or management of the Company;

(f) breach of security arrangements;

(g) cessation of all or substantial part of its business;

(h) repudiation;

(i) existence of circumstances which in the sole opinion of the lender, jeopardises its interests;

(j) occurrence of a material adverse effect (as defined in the relevant financing document);

(k) failure to pay amounts due pursuant to any final judgment, decree or court order; and

(l) expropriation.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters; (ii) actions by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, or Promoters; (iii) claims relating to direct and indirect taxes involving our Company, Subsidiaries, Directors, or Promoters; and (iv) litigations or arbitration proceedings involving our Company, Subsidiaries, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below).

In accordance with the Materiality Policy, all pending litigation or arbitration proceedings (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes mentioned in point (i) to (iii) above):

A. involving our Company and Subsidiaries:

i. where the aggregate monetary claim made by or against our Company and/or our Subsidiaries (individually or in aggregate), in any such pending litigation or arbitration proceeding equal to or in excess of (i) five percent of the consolidated profit after tax of our Company; or (ii) one percent of the consolidated total income of our Company, whichever is lower, in the most recently completed Fiscal as per the Restated Consolidated Financial Statements.

The consolidated profit after tax of our Company for Fiscal 2020 as per the Restated Consolidated Financial Statements was ₹ 702.12 million while the consolidated total income of our Company for Fiscal 2020 was ₹ 15,386.21 million. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company and Subsidiaries (individually or in aggregate), in any such pending litigation or arbitration proceeding equal to or in excess of ₹ 35.11 million (being five per cent of our consolidated profit after tax in Fiscal 2020 as per the Restated Consolidated Financial Statements); or

ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company,

have been considered "material" and accordingly have been disclosed in this Prospectus.

B. involving our Promoters and Directors, the outcome of which could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, irrespective of the amount involved in such litigation, have been considered "material" and accordingly have been disclosed in this Prospectus.

Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this Prospectus, including any outstanding action; and (ii) outstanding litigation involving the Group Companies, which may have a material impact on our Company.

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of five percent of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements. The consolidated trade payables of our Company as on September 30, 2020 was ₹3,093.45 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹154.67 million as on September 30, 2020.

For the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Promoters, Directors or Group Companies from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that our Company, or such Subsidiary, Promoter, Director or Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

(a) Outstanding litigation proceedings against our Company

(i) Criminal proceedings

1. Jarandeshwar Co-operative Sugar Factory Limited through its administrator ("**Complainant**") filed a complaint against our Company before the Civil Court Junior Division, Koregaon. The Complainant and our Company had entered into an agreement on October 26, 2007 pursuant to which our Company would engage in the production of alcohol at the premises of the factory owned by the Complainant. The Complainant and our Company entered into a second agreement dated March 23, 2010, which would be valid up to February 21, 2023 ("**Second Agreement**"). The Complainant has alleged that our Company had executed the Second Agreement illegally without obtaining the requisite approvals. The matter is currently pending.

2. Deputy Director, Industrial Safety and Health, Raigad has filed a criminal proceeding against one of our Promoters and Directors, Ravi Goenka (in his capacity as the occupier under the Factories Act, 1948 of the SI Manufacturing Facility) alleging contravention of Sections 59 and 65 of the Factories Act, 1948, before the court of the Chief Judicial Magistrate, Raigad at Alibaug. We are awaiting receipt of summons in this proceeding.

(ii) Outstanding actions by regulatory or statutory authorities

As on the date of this Prospectus, there are no pending actions initiated by statutory or regulatory authorities against our Company.

(iii) Other pending proceedings

Except as mentioned below, as on the date of this Prospectus, there are no other pending proceedings against our Company, which have been considered material by our Company in accordance with the Materiality Policy:

Pursuant to a petition filed by our Company in relation to the alleged arbitrary levy of wheeling charges and applicable losses (amounting to ₹ 50.30 million) by Maharashtra State Electricity Distribution Company Limited ("**Appellant**" or "**MSEDCL**"), the Maharashtra Electricity Regulatory Commission ("**Respondent no. 1**" or "**MERC**") passed an order dated June 3, 2016 ("**Order**") against our Company directing our Company to pay wheeling charges and applicable losses amounting to ₹ 50.30 million to the Appellant. The Respondent no.1 through the Order directed our Company to pay the applicable wheeling charges and losses incurred due to the usage of a mega-watt captive power plant set up by our Company in September 2012 at one of its industrial units for internal energy consumption. As on September 30, 2020, we have provided for ₹ 195.80 million in our Restated Consolidated Financial Statements in relation to the wheeling charges and losses.

Thereafter, our Company filed a review petition before the Respondent no.1 challenging the Order, pursuant to which the Respondent no.1 passed a review order dated April 2, 2018, in favour of our Company, directing the Appellant to not levy the wheeling charges and the applicable losses on our Company and to refund the amounts already paid with the applicable interest to our Company ("**Review Order**"). Pursuant to the Review Order, the Appellant filed an appeal before the Appellate Tribunal for Electricity at New Delhi (the "**Appellate Tribunal**") against the Respondent no.1, our Company and other parties. This matter is currently pending.

Pursuant to the Review Order, our Company filed another petition before the MERC due to the failure by MSEDCL to refund and give adjustments amounting to ₹ 50.30 million in terms of the Review Order. Thereafter on November 3, 2018, the MERC on, ordered MSEDCL to comply with the terms of the Review Order and to refund and give adjustments in accordance with the

Review Order ("**Compliance Order**"). However, the Compliance Order also stated that our Company was liable to pay certain applicable transmission charges to MERC in terms of the applicable provisions of the Maharashtra Electricity Regulatory Commission (Distribution Open Access) Regulations, 2016. Pursuant to the Compliance Order, MSEDCL sought to recover a sum of ₹ 69.88 million (along with interest) from our Company as transmission charges, and issued notices in this regard ("**Recovery Notices**"). In response, our Company filed an appeal before the Appellate Tribunal against MSEDCL and MERC for setting aside the Compliance Order (to the extent it deals with transmission charges and transmission losses) and the Recovery Notices. This matter is currently pending. As on September 30, 2020, we have provided for ₹ 34.80 million in our Restated Consolidated Financial Statements in relation to the transmission charges and losses.

The appeal filed by our Company before the Appellate Tribunal for Electricity at New Delhi has been clubbed with the appeal filed by the Appellant before the Appellate Tribunal.

(iv) ***Tax proceedings***

Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Company as on the date of this Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Direct tax	1	0.30
Indirect tax	8	153.32
Total	**9**	**153.62**

** To the extent quantified.*

(v) ***Other material tax proceedings***

The Senior Intelligence Officer, Directorate of Revenue Intelligence ("**DRI**") of the Bangalore Zonal Unit ("**SIO**") conducted a search at the AI Manufacturing Facility on February 11, 2021 (the "**Search**") on the grounds that the SIO had reason to believe that our Company was availing a lower rate of basic customs duty at the rate of 2.5% for importing denatured ethyl alcohol in terms of the forth in Entry number 107 of the Customs Notification No. 50/2017 ("**Notification**") and claimed that our Company was liable to pay 5% as basic customs duty instead while importing denatured ethyl alcohol. During the course of the search the SIO made enquiries with certain officials of our Company as well as recovered certain documents relating to the import, usage and accounting of denatured ethyl alcohol. Pursuant to the Search, our Company, has paid an amount of ₹ 35 million under protest. Prior to the Search, our Company on January 24, 2021 had also filed a writ petition before the High Court of Bombay challenging the constitutionality of the use of the terms "excisable goods" as set forth in Entry 107 of the Notification and the requirements mandating importers of denatured ethyl alcohol to submit a provisional duty bond for availing an exemption under Entry 107 of the Notification. The matter is currently pending.

(b) Outstanding litigation proceedings by our Company

(i) Criminal proceedings

As on the date of this Prospectus, there are no pending criminal proceedings initiated by our Company.

(ii) Civil proceedings

1. The Captive Power Producers Association of which our Company is a member, ("**Petitioners**") filed a writ petition on December 19, 2016, before the Bombay High Court against the State of Maharashtra and others ("**Respondents**") challenging the validity of the electricity duty prescribed under the Maharashtra Electricity Duty Act, 2016 ("**Act**") and the notification issued by the Maharashtra Government dated October 21, 2016 ("**Notification**"). The Petitioners prayed for, *inter alia*, quashing and setting aside the Act and the Notification (to the extent of electricity duty prescribed thereunder). This matter is currently pending.

2. Our Company has filed a writ petition before the Bombay High Court challenging, *inter alia*, the provisions of the Finance Act, 1994 ("**Finance Act**") and Integrated Goods and Services Tax Act, 2017 ("**IGST Act**"), as being unconstitutional and violative of Article 245 of the Constitution of India in as much as the Finance Act and the IGST Act sought to empower the Central Government to frame rules levying service tax on services provided by a service provider located outside the taxable territory to a person outside the taxable territory. This matter is currently pending.

3. Our Company filed an appeal before the Appellate Tribunal for Electricity at New Delhi against Maharashtra State Electricity Distribution Company Limited and Maharashtra Electricity Regulatory Commission. For details, see "*-Litigation Proceedings involving our Company- Civil Proceedings involving our Company*".

LITIGATION INVOLVING OUR SUBSIDIARIES

(a) Outstanding litigation proceedings against our Subsidiaries

(i) Criminal proceedings

As on the date of this Prospectus, there are no pending criminal proceedings initiated against our Subsidiaries.

(ii) Actions by statutory or regulatory authorities

As on the date of this Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Subsidiaries.

(iii) Other pending proceedings

As on the date of this Prospectus there are no pending proceedings pending against our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) Claims related to direct and indirect taxes

As on the date of this Prospectus, there are no pending claims related to direct and indirect taxes against any of our Subsidiaries.

(b) Outstanding litigation proceedings initiated by our Subsidiaries

(i) Criminal proceedings

As on the date of this Prospectus, there are no pending criminal proceedings initiated by our Subsidiaries.

(ii) Other pending proceedings

As on the date of this Prospectus, there are no pending proceedings initiated by our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

LITIGATION INVOLVING OUR DIRECTORS

(i) Outstanding litigation proceedings against Directors

(i) Criminal proceedings against our Directors

Ravi Goenka

1. Deputy Director, Industrial Safety and Health, Raigad has filed a criminal proceeding against one of our Promoters and Directors, Ravi Goenka (in his capacity as the occupier under the Factories Act, 1948 of the SI Manufacturing Facility) alleging contravention of Sections 59

and 65 of the Factories Act, 1948, before the court of the Chief Judicial Magistrate, Raigad at Alibaug. We are awaiting receipt of summons in this proceeding.

O.V. Bundellu

1. The Central Bureau of Investigation ("**CBI**") has filed a case against, *inter-alia*, Vijay Mallya, Kingfisher Airlines Limited and officers of IDBI Bank Limited including, our Director, O.V. Bundellu who had served as the deputy managing director of IDBI Bank Limited from March, 2006 to January, 2010 (collectively, the "**Accused**"). The CBI has alleged that the Accused have engaged in criminal conspiracy and cheating in the process of IDBI Bank Limited granting term loan facilities amounting to ₹ 7,500 million to Kingfisher Airlines Limited. This matter is currently pending.

2. The Enforcement Directorate ("**ED**") has filed a case against, *inter-alia*, Vijay Mallya, Kingfisher Airlines Limited and officers of IDBI Bank Limited including, our Director, O.V. Bundellu , who had served as the deputy managing director of IDBI Bank Limited from March, 2006 to January, 2010 (collectively, the "**Accused**"). The ED has alleged that the Accused have violated the provisions of the Prevention of Money Laundering Act, 2002, in the process of IDBI Bank Limited granting term loan facilities amounting to ₹ 7,500 million to Kingfisher Airlines Limited. This matter is currently pending.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Directors.

(iii) *Other pending proceedings*

As on the date of this Prospectus, there are no proceedings pending against our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) *Claims related to direct and indirect taxes*

As on the date of this Prospectus, there are no pending claims related to direct and indirect taxes initiated against our Directors.

(ii) Outstanding litigation proceedings by our Directors

(i) *Criminal proceedings*

As on the date of this Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

(ii) *Other pending proceedings*

As on the date of this Prospectus, there are no pending proceedings initiated by any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

LITIGATION INVOLVING OUR PROMOTERS

(a) Outstanding litigation proceedings against our Promoters

(i) *Criminal proceedings*

Except as set forth below, as on date of this Prospectus, there are no pending criminal proceedings against any of our Promoters:

Ravi Goenka

1. Deputy Director, Industrial Safety and Health, Raigad has filed a criminal proceeding against one of our Promoters and Directors, Ravi Goenka (in his capacity as the occupier under the Factories Act, 1948 of the SI Manufacturing Facility) alleging contravention of Sections 59 and 65 of the Factories Act, 1948, before the court of the Chief Judicial Magistrate, Raigad at Alibaug. We are awaiting receipt of summons in this proceeding.

(ii) Actions by statutory or regulatory authorities

As on the date of this Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Promoters.

(iii) Other pending proceedings

As on the date of this Prospectus, there are no proceedings pending against our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) *Claims related to direct and indirect taxes*

As on the date of this Prospectus there are no pending claims related to direct and indirect taxes initiated against our Promoters.

(b) Outstanding litigation proceedings by our Promoters

(i) Criminal proceedings

As on the date of this Prospectus, there are no pending criminal proceedings initiated by any of our Promoters.

(ii) Other pending proceedings

As on the date of this Prospectus, there are no pending proceedings initiated by any of our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of five percent of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements, *i.e.* ₹ 154.67 million, as of September 30, 2020 ("**Material Creditors**").

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on September 30, 2020 is as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to micro, small and medium enterprises	67	18.71
Dues to Material Creditor(s)	3	2,183.59
Dues to other creditors (including outstanding liabilities)	659	891.16
Total	729	3,093.45

For details of outstanding dues to the Material Creditors (referenced above) as on September 30, 2020, (along with the names and amounts involved for each such Material Creditor) see https://www.laxmi.com/investors.

It is clarified that information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, https://www.laxmi.com would be doing so at their own risk.

MATERIAL DEVELOPMENTS

No circumstances have arisen since September 30, 2020, the date of the last Restated Consolidated Financial Statements disclosed in this Prospectus, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, our Company and our Material Subsidiary have obtained all material consents, licenses, registrations, permissions and approvals from the relevant governmental, statutory and regulatory authorities, which are necessary for undertaking their respective business activities and operations. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking their business activities and operations. Unless otherwise stated, these approvals are valid as on the date of this Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 182.

For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 350, for incorporation details of our Company, see "History and Certain Corporate Matters" on page 187 and for details with respect to our Material Subsidiary, see "Our Subsidiaries and Associate" on page 192.

Material approvals in relation to our Company's business and operations

Business related approvals

1. Factories license issued by the Directorate of Industrial Safety & Health (Maharashtra) under the Factories Act, 1948 to enable our Company to operate the Manufacturing Facilities and Jarandeshwar Distillery.

2. License to import and store petroleum at our Manufacturing Facilities issued under the Petroleum Act, 1934 and Explosives Act, 1884.

3. License to possess methanol issued by the Food and Drugs Administration under the Poisons Act, 1919 and the Maharashtra Poisons Rules, 1972 to possess methanol at our SI Manufacturing Facility.

4. License to store ammonia chlorine gas in cylinders at our SI Manufacturing Facility issued by the Joint Chief Controller of Explosives.

5. License to store ethelyne oxide gas in pressure vessels at our SI Manufacturing Facility issued by the Joint Chief Controller of Explosives under the Static and Mobile Pressure Vessels (Unfired) Rules, 2016.

6. License to store liquid nitrogen gas in pressure vessels at our SI Manufacturing Facility issued by the Joint Chief Controller of Explosives under the Static and Mobile Pressure Vessels (Unfired) Rules, 2016.

7. License to possess molasses issued by the Collector, Kolhapur under the Bombay Prohibition Act, 1949 for possession at our Jarandeshwar Distillery.

8. Certificate for use of a boiler issued by the Office of the Deputy Director, Directorate of Steam Boilers, Government of Maharashtra under the Indian Boilers Act, 1923 to enable our Company to operate boilers in the Manufacturing Facilities.

9. Consent or authorization issued by the Maharashtra Pollution Control Board (i) to operate under the Water (Prevention and Control of Pollution) Act, 1974; (ii) to operate under the Air (Prevention and Control of Pollution) Act, 1981; and (c) under the Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016, with respect to our Manufacturing Facilities, Jarandeshwar Distillery and our hydro-electric power project at Yedgaon.

10. Certificate of Importer-Exporter Code issued by the office of the Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992, to enable our Company to carry out its export and import operations.

11. License for denaturation of Indian made rectified spirit including absolute alcohol issued by the Commissioner of State Excise, Maharashtra with respect to the Jarandeshwar Distillery.

12. Recognition by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India of our R&D centres.

13. Certificate of verification with respect to weights and measures in relation to our Jarandeshwar Distillery under the Legal Metrology Act, 2009 issued by the Inspector of Legal Metrology, Koregaon Division.

Labour/employment related approvals

1. Certificates of registration under the shops and establishment legislations applicable in the states in which our Corporate Office and other offices are located.

2. Registration as a principal employer under the Contract Labor (Regulation & Abolition) Act, 1970 issued by relevant registering officer with respect to the Manufacturing Facilities and Jarandeshwar Distillery.

3. Registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

4. Registration for employees' insurance issued by the Sub-Regional Office, Employees State Insurance Corporation of different states in India under the Employees' State Insurance Act, 1948.

Tax related approvals

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.

2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.

3. Goods and services tax registrations in the states where our Company operates.

4. Registration as an employer issued by the Profession Tax Office under the Maharashtra State Tax on Professions, Trades, Ceiling and Employments Act, 1975.

Material approvals which have expired for which renewal applications have been made*:*

Nature of approval	Issuing authority	Date of acknowledgement of renewal application / date of renewal application
Contract labour registration the AI Manufacturing Facility	Registering officer under the Contract Labour (Regulation & Abolition) Act, 1970	January 1, 2021

Intellectual property rights

Our Company has obtained trademark registrations under the Trade Marks Act, 1999 with respect to "Laxmi" (under classes 1, 2,3,4,5,9,35 and 42) "Laxmisolv" (under classes 1,2,3,4 and 5).

Our Company has also obtained a certificate of registration under the Copyright Act, 1957 with respect to our logo.

Furthermore, our Company has applied for 2 (two) process patent application which are pending since February 25, 2020 and November 24, 2020. For further details, see "*Our Business-Intellectual Property*" on page 181.

Material approvals in relation to our Material Subsidiary's business and operations

We have obtained a permit from the Centrale Dienst voor in- en uitvoer, the Dutch taxation and custom authorities, for the import, export and trade of acetic anhydride in Europe.

Approvals applied for in relation to the Proposed Facility

1. ***Environment Clearance***: The environment clearance in relation to the Proposed Facility was issued in the name of our Company as March 31, 2020. The application dated November 24, 2020 in relation to transfer of the environment clearance from our Company to YFCPL is currently pending.

2. ***Consent to establish***: The consent appraisal committee of MPCB has in its meeting dated August 4, 2020 approved the grant of consent to establish for the Proposed Facility which will be issued to our Company. Upon receipt of such consent and transfer of the environment clearance, we will make necessary application for transfer of the consent to establish to YFCPL.

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

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board dated October 30, 2020 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated November 24, 2020.

Yellow Stone Trust (through its trustee, Ravi Goenka) has consented to participate in the Offer for Sale pursuant to its consent letter dated December 15, 2020 and has consented to offer such number of Equity Shares aggregating up to ₹ 3,000.00 million in the Offer for Sale.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated January 5, 2021.

Our Board has approved the Draft Red Herring Prospectus pursuant to their resolution dated December 15, 2020. The Red Herring Prospectus was approved by our Board *vide* its resolution in its meeting dated March 4, 2021.

This Prospectus has been approved by our Board *vide* its resolution in its meeting dated March 18, 2021.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group and the Promoter Selling Shareholder have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable.

Directors associated with the Securities Market

Other than Manish Chokhani, who is a director of Quadrillion Capital Private Limited, none of the Directors are, in any manner, associated with the securities market. There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Statements included in this Prospectus as at, and for the last three Fiscals ended March 31, 2020, 2019 and 2018 are set forth below:

(*₹ in million, unless otherwise stated*)

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2019	March 31, 2018
Restated net tangible assets [1]	4,261.40	4,488.08	3,790.68
Restated monetary assets[2]	241.10	76.45	52.36

Particulars	As at and for the Fiscal ended		
	March 31, 2020	March 31, 2019	March 31, 2018
Monetary assets, as a percentage of net tangible assets, as restated	5.66%	1.70%	1.38%
Operating profit/ (loss), as restated[3]	646.60	1,087.56	1,201.22
Net worth, as restated [4]	4,259.63	4,488.89	3,783.65

[1] *Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by the Institute of Chartered Accountants of India.*

[2] *'Monetary assets' is the aggregate of cash in hand and balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalents).*

[3] *'Operating Profit' has been calculated as profit before finance costs, other income, exceptional item and tax expenses.*

[4] *'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

Our Company has operating profits in each of Fiscal 2018, 2019 and 2020 in terms of our Restated Consolidated Financial Statements.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, our Directors or the Promoter Selling Shareholder are debarred from accessing the capital markets by SEBI.
(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
(c) None of our Company, our Promoters or Directors is a Wilful Defaulter.
(d) None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
(e) There were no fully paid up convertible securities that are required to be converted on or before the filing of the Red Herring Prospectus;
(f) Except for the options granted under ESOP-2020 to eligible employees as disclosed in "*Capital Structure*" on page 83, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

The Promoter Selling Shareholder confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, AXIS CAPITAL LIMITED AND DAM CAPITAL ADVISORS LIMITED (FORMERLY KNOWN AS IDFC SECURITIES LIMITED) HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 15, 2020 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholder and the BRLMs

Our Company, the Directors, the Promoter Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this 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.laxmi.com, would be doing so at his or her own risk.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Promoter Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Promoter Selling Shareholder or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who Bid in the Offer were required to confirm and were deemed to have represented to our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

The Draft Red Herring Prospectus did not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders were advised to ensure that any Bid from them did not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by the BSE is as set forth below:

"BSE Limited ("the Exchange") has given vide its letter dated January 5, 2021 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner :–

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by the NSE is as set forth below:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/877 dated January 5, 2021 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

Consents

Consents in writing of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, Legal Counsel to our Company as to Indian law, Legal Counsel to the BRLMs as to Indian law, Bankers to our Company, the BRLMs, the Registrar to the Offer, Statutory Auditors, Syndicate Member, Public Offer Account Bank(s), Sponsor Bank, Escrow Collection Bank(s) and Refund Bank(s), Frost & Sullivan have been obtained and were filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, such consents were not withdrawn up to the time of filing of the Red Herring Prospectus with the RoC and have not been withdrawn up to the time of filing of this 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 from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated February 23, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of possible special tax benefits dated March 18, 2021 included in this Prospectus. Such consent has not been withdrawn up to the time of delivery of this Prospectus.

Our Company has received written consent from D.K. Maheshwari, Chartered Engineer, to include his name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as an independent chartered engineer with respect to the certificates issued by him in relation to (i) the Proposed Facility, (ii) the proposed expansion of the SI Manufacturing Facility, (iii) the purchase of plant and machinery for augmenting the infrastructure development at the SI Manufacturing Facility, and (iv) the installed capacity and capacity utilisation at the Manufacturing Facilities and Distilleries.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Prospectus.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Prospectus.

Capital issue during the previous three years

Other than as disclosed in "*Capital Structure-Notes to the Capital Structure*", our Company has not undertaken a capital issue in the last three years preceding the date of this Prospectus.

As on the date of this Prospectus, none of our Subsidiaries have their equity shares listed on any stock exchanges in India or overseas.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Prospectus.

Capital issue during the previous three years by our listed Group Companies of our Company

None of the securities of any of our Group Companies are listed on any stock exchange**.**

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

Track record of past issues handled by the BRLMs

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*

Sr. No.	Issue name	Issue size (₹ millions)	ssue 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	Home First Finance Company India Limited	11,537.19	518.00	03-Feb-21	618.80	+4.98%, [+1.97%]	-	-
2	UTI Asset Management Company Limited	21,598.84	554.00	12-Oct-20	500.00	-10.43%, [+5.87%]	-0.60%, [+20.25%]	-
3	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	12-Oct-20	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	-
4	Route Mobile Limited	6,000.00	350.00	21-Sep-20	717.00	+105.81%, [+5.74%]	+231.04%, [+22.31%]	-
5	Rossari Biotech Limited	4,962.50	425.00	23-Jul-20	669.25	+87.25%, [+1.39%]	+86.59%, [+6.08%]	+100.79%, [+27.34%]
6	SBI Cards and Payment Services Limited	103,407.88	755.00@	16-Mar-20	661.00	-33.05%, [-2.21%]	-21.79%, [+8.43%]	+12.50%, [+24.65%]
7	CSB Bank Limited	4,096.77	195.00	04-Dec-19	275.00	+8.36%, [+1.98%]	-12.18%, [-7.56%]	-36.95%, [-20.45%]
8	Sterling And Wilson Solar Limited	28,809.42	780.00	20-Aug-19	706.00	-21.88%, [-1.60%]	-48.63%, [+7.97%]	-64.78%, [+9.95%]
9	Spandana Sphoorty Financial Limited	12,009.36	856.00	19-Aug-19	825.00	-0.56%, [-2.14%]	+52.76%, [+7.61%]	+17.32%, [+9.59%]
10	Polycab India Limited	13,452.60	538.00^	16-Apr-19	633.00	+15.36%, [-5.35%]	+14.70%, [-1.99%]	+23.76%, [-4.09%]

Source: www.nseindia.com
@ *Offer Price was ₹ 680.00 per equity share to Eligible Employees*
^Offer Price was ₹ 485.00 per equity share to Eligible Employees

Notes:

a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY is considered as the Benchmark Index.*
c. *Price on NSE is considered for all of the above calculations.*
d. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

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 (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th 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%
2020-2021*	5	48,535.39	-	-	1	2	-	2	-	-	-	1	-	-
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3
2018-2019	4	54,206.94	-	1	-	1	-	2	-	-	2	-	-	2

** 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.

2. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by DAM Capital Advisors Limited (formerly known as IDFC Securities Limited)*

Sr. No.	Issue Name	Issue size (in Rs. Mn)	Issue price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	Not applicable
2	Indian Railway Finance Corporation Limited	46,333.79	26.00	January 29, 2021	24.90	-5.19%, [+6.56%]	Not applicable	Not applicable

Note:

1. *Issue size derived from Prospectus*
2. *Price on NSE is considered for all of the above calculations*
3. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
4. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
5. *The Nifty 50 index is considered as the benchmark index*
6. *Not Applicable. – Period not completed*

Table 2: Summary Statement of Disclosure

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25 %	Over 50%	Between 25-50%	Less than 25 %	Over 50%	Between 25-50%	Less than 25 %	Over 50%	Between 25-50%	Less than 25 %
2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019–20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21*	2	50,770.65	-	-	1	-	-	1	-	-	-	-	-	-

** 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 180 calendar days, as applicable, from listing date has not elapsed for the above issue, data for same is not available

Website for track record of the Book Running Lead Managers

Name	Website
Axis Capital Limited	www.axiscapital.co.in
DAM Capital Advisors Limited (formerly known as IDFC Securities Limited)	www.damcapital.in

Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Promoter Selling Shareholder provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

We have obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

Our Company has also appointed Aniket Hirpara, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information- Company Secretary and Compliance Officer*" beginning on page 74.

Our Company has not received any investor complaint during the three years preceding the date of the Draft Red Herring Prospectus, the Red Herring Prospectus or this Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus or was pending as on the date of filing the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

None of our Group Companies are listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION XI – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, this Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

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

The listing fees shall be borne by our Company. Other Offer-related expenses shall be borne by the Promoter Selling Shareholder in proportion to the Equity Shares to be offered by the Promoter Selling Shareholder.

Provided that all Offer-related expenses shall initially be borne by our Company. Upon successful completion of the Offer, the Promoter Selling Shareholder shall reimburse our Company their proportionate share of the Offer-related expenses.

Ranking of the Equity Shares

The Equity Shares being Allotted in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" beginning on page 382.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* beginning on pages 231 and 382, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 2. The Floor Price of Equity Shares is ₹ 129 per Equity Share and the Cap Price is ₹ 130 per Equity Share. The Anchor Investor Offer Price is ₹ 130 per Equity Share. The Price Band and minimum Bid Lot for the Offer was decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta, and the Raigad edition of the Marathi daily newspaper Krushival (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, was pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price was 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 Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" beginning on page 382.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated October 25, 2012 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated April 10, 2019 amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of 115 Equity Shares, subject to a minimum Allotment of 115 Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" beginning on page 365.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the Issuer becomes liable to pay the amount, the Issuer and our Director who are officers in default, shall pay interest at the rate of fifteen percent per annum.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Fresh Issue from the valid Bids and Offer for Sale subsequently.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" beginning on page 83 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 382.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed, and the final RoC approval of this Prospectus after it is filed with the RoC.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of 46,153,846 Equity Shares* for cash at a price of ₹ 130.00 per Equity Share (including a premium of ₹ 128.00 per Equity Share) aggregating to ₹ 6,000.00 million comprising of a Fresh Issue of 23,076,923 Equity Shares* aggregating to ₹ 3,000.00 million by our Company and an Offer of Sale of 23,076,923 Equity Shares* aggregating to ₹ 3,000.00 million by the Promoter Selling Shareholder. The Offer will constitute 17.50% of the post-Offer paid-up Equity Share capital of our Company.

**Subject to finalisation of Basis of Allotment*

Our Company has, in consultation with the BRLMs, undertaken the Pre-IPO Placement. The size of the Fresh Issue was reduced from up to ₹ 5,000.00 million to ₹ 3,000.00 million and consequently, the size of the Offer was reduced from up to ₹ 8,000.00 million to ₹ 6,000.00 million.

Particulars	QIBs (1)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation* (2)	23,076,922 Equity Shares	6,923,077 Equity Shares	16,153,847 Equity Shares
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer size was available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion was available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) 461,539 Equity Shares were made available for allocation, on a proportionate basis to Mutual Funds only; and (b) 8,769,230 Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above 13,846,153 Equity Shares were allocated on a discretionary basis to Anchor Investors of which one-third were made available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	Allotment to each Retail Individual Investor shall be not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For details, see *"Offer Procedure*" beginning on page 367
Minimum Bid	Such number of Equity Shares in multiples of 115 Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of 115 Equity Shares thereafter	115 Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of 115 Equity Shares not exceeding the size of	Such number of Equity Shares in multiples of 115 Equity Shares not exceeding the size of the	Such number of Equity Shares in multiples of 115 Equity Shares so

Particulars	QIBs [(1)]	Non-Institutional Investors	Retail Individual Investors
	the Offer, subject to applicable limits	Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	that the Bid Amount does not exceed ₹200,000
Bid Lot	115 Equity Shares and in multiples of 115 Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	115 Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[(3)]	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are recategorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount was payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount has been blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process

* *Subject to finalisation of the Basis of Allotment*

(1) *Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see "Offer Procedure" beginning on page 367.*

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion would have been added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer was 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 have been 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. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Offer" beginning on page 359.

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(4) *Anchor Investors have paid the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bid/Offer Programme

BID/ OFFER OPENED ON*	**Monday, March 15, 2021**
BID/ OFFER CLOSED ON	**Wednesday, March 17, 2021**

* *The Anchor Investor Bidding Date was one Working Day prior to the Bid/Offer Opening Date i.e. March 12, 2021,*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, March 22, 2021
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account**	On or about Tuesday, March 23, 2021
Credit of the Equity Shares to depository accounts of Allottees	On or about Wednesday, March 24, 2021
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, March 25, 2021

****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.**

The above timetable is indicative and does not constitute any obligation on our Company, the Promoter Selling Shareholder or the BRLMs. While our Company and the Promoter Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholder, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time ("**IST**")) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(ii) on the Bid/Offer Closing Date:

(a) in case of Bids by Non-Institutional Investors, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(b) in case of Bids by Retail Individual Investors, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), or such extended as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders were cautioned that, in the event a large number of Bids were received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may have lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that could not be uploaded on the electronic bidding system have not been considered for allocation under this Offer. Bids and any revision in Bids were only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Promoter Selling Shareholder, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIIs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020("**UPI Phase II**"). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer is being made under UPI Phase II of the UPI Circular, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Further, our Company, the Promoter Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis. Our Company and the Promoter Selling Shareholder in consultation with the BRLMs have allocated 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 was reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer was available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus were available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office and at our Corporate Office. An electronic copy of the ASBA Form was also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms were available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) were compulsorily required to use the ASBA process to participate in the Offer. Anchor Investors were not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	Blue
Anchor Investors	White

** Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Investors Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For Retail Individual Investors using the 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 a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (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.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Member and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Member

The BRLMs and the Syndicate Member were not allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Member could purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription could be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Member, were treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates could apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and members of the Promoter Group could not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group could not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged with the Bid cum Application Form. Failing this, the Company and the Promoter Selling Shareholder in consultation with BRLMs reserved the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds were required to specifically state names of the concerned schemes for which such Bids were made.

In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund would not be treated as multiple Bids, provided that such Bids clearly indicated the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs could obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange were to be considered for Allotment. Eligible NRIs Bidding on a repatriation basis could authorise their SCSBs or could confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis could authorise their SCSBs or could confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer was subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism were advised to enquire with the relevant bank, whether their account was UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (White in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities"* on page 381.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, were required to be made in the individual name of the Karta. The Bidder was required to specify that the Bid was being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs were considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
(d) such other conditions as may be specified by SEBI from time to time.

An FPI was required to ensure that the transfer of an offshore derivative instrument issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments were to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs were not treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilized any of the above-mentioned structures and indicated the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations , such multiple Bids were required to l be rejected.

Participation of FPIs in the Offer was subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the 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 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, should have been attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee was required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer were required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs were required to ensure that for making applications on their own account using ASBA, they should have had a separate account in their own name with any other SEBI registered SCSBs. Further, such account should have been used solely for the purpose of making application in public issues and clear demarcated funds should have been 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 was required to be attached to the Bid cum Application Form. Failing this, the Company and the Promoter Selling Shareholder in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), should have been attached to the Bid-cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and 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 such terms and conditions that our Company and Promoter Selling Shareholder in consultation with the BRLMs, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund was required to have been attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus and this Prospectus.

In accordance with RBI regulations, OCBs could not 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 revised his or her Bid, he /she was required to surrender the earlier Acknowledgement Slip and could request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and the Raigad edition of Krushival, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered is located). Our Company , in the pre-Offer advertisement stated 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, was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Promoter Selling Shareholder have entered into an Underwriting Agreement with the Underwriters. Our Company has filed this Prospectus with the RoC. This Prospectus contains details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and is complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;

4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs,

mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;;

9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

21. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

23. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

25. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

26. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;

27. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are recategorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and

28. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

15. If you are a RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID

16. Do not submit the General Index Register (GIR) number instead of the PAN;

17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;

20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;

22. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

23. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

24. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or

mobile application and/or UPI handle that is not listed on the website of SEBI;

25. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;

26. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and

27. Do not Bid if you are an OCB.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with.

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information*" on page 73.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the net offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares Allotted to them in their respective names will be notified to such Anchor Investors. Anchor Investors were not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors were required to transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts were to be drawn in favour of:

(i) In case of resident Anchor Investors: "LAXMI ORGANIC INDUSTRIES LIMITED-ANCHOR R"
(ii) In case of non-resident Anchor Investors: "LAXMI ORGANIC INDUSTRIES LIMITED-ANCHOR NR"

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 Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated October 25, 2012 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated April 10, 2019 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company 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;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(ix) that, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder undertakes the following in respect of itself as the Promoter Selling Shareholder and its portion of the Offered Shares:

(i) that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;

(ii) that it is the legal and beneficial owner of, and has clear and marketable title to , its portion of the Offered Shares;

(iii) that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of its portion of the Offered Shares;

(iv) that it shall not have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and

(v) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its portion of the Offered Shares.

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, the FDI Policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. 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.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 370.

As per the FDI policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

For further details, see "*Offer Procedure*" on page 367.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION X - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

I. PRELIMINARY

1. **APPLICABILITY OF TABLE F**

Subject as hereinafter provided and in so far as these presents do not modify or exclude them the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013, as amended from time to time, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

II. DEFINITIONS AND INTERPRETATIONS

2. **In these Articles:**

2.1 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

"**Act**" means the Companies Act, 2013, and the Companies Act, 1956 (in each case, to the extent applicable), the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory replacement or re-enactment thereof;

"**Alternate Director**" shall have the meaning ascribed to such term in Article 127;

"**Articles**" shall mean the articles of association of the Company as amended from time to time;

"Auditors" means independent, external statutory auditors of the Company;

"**Board of Directors**" or "**Board**" shall mean the board of directors of the Company, as constituted from time to time;

"**Company**" shall mean Laxmi Organic Industries Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at A-22/2/3, MIDC, Mahad, Raigad– 402 309;

"**Director**" means a director for the time being of the Company and includes any person appointed as a director of the Company in accordance with these Articles and the provisions of the Act, from time to time;

"**Equity Share Capital**" means in relation to the Company, its equity share capital within the meaning of Section 43 of the Act, as amended from time to time;

"**Equity Shares**" shall mean the equity shares of the Company having a face value of such amount as specified in Clause V of the Memorandum of Association ;

"**General Meetings**" shall mean any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting;

"**Governmental Authority**" means any governmental, regulatory or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorized to make Laws, rules or regulations or pass directions, orders or awards, having or purporting to have jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to applicable Laws;

"**Key Managerial Personnel**" in relation to the Company, means collectively, the chief executive officer/managing director/manager, the company secretary, the whole-time directors, the chief financial officer, such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and such other officer as maybe prescribed and declared by the Company to be a key managerial personnel;

"**Law**" shall mean:

(i) in relation to the Persons domiciled or incorporated in India, all applicable statutes, enactments, acts of legislature or Parliament, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) in India or in any jurisdiction but applicable to such Persons domiciled or incorporated in India; and

(ii) in relation to Persons domiciled or incorporated overseas, all applicable statutes, enactments, acts of legislature, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) of the relevant jurisdiction of such Persons;

"**Lien**" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;

"**Member**" means a member of the Company within the meaning of Clause (55) of Section 2 of the Act, as amended from time to time;

"**Memorandum of Association**" shall mean the memorandum of association of the Company, (as from time to time amended, modified or supplemented);

"**Original Director**" shall have the meaning ascribed to such term in Article 127;

"**Person**" shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, partnership (whether limited or unlimited), proprietorship, voluntary association, joint venture, unincorporated organization Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable Law;

"**Preference Share Capital**" means in relation to the Company, its preference share capital within the meaning of Section 43 of the Act, as amended from time to time;

"Shares" means a share in the Share Capital of the Company and includes stock.

"**Shareholder(s)**" shall mean such Person(s) who are holding Share(s) in the Company at any given time;

"**Share Capital**" means Equity Share Capital and Preference Share Capital;

2.2 The terms "writing" or "written" include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.

2.3 The headings hereto shall not affect the construction hereof.

2.4 Notwithstanding anything contained in these Articles, any reference to a "person" in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).

2.5 Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.

2.6 Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

III. PUBLIC COMPANY

3. The Company is a public company as defined in clause (71) of Section 2 of the Act.

IV. SHARE CAPITAL AND VARIATION OF RIGHTS

4. The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

5. Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to the compliance with Section 53 of the Act, at a discount as they may, from time to time think fit and proper and with the sanction of the Company in the General Meeting. The Company may give to any Person or Persons the option or right to call for any Shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may also issue and allot Shares in the capital of the Company on payment in full or part payment of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares, provided that the option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

6. A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.

7. The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable Laws:

    (i) Equity Share Capital:

        (a) with voting rights; and / or
        (b) with differential rights as to dividend, voting or otherwise; and

    (ii) Preference Share Capital

8. Further, the Board shall be entitled to issue, from time to time, subject to applicable Law, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.

9. Except as otherwise provided by the conditions of issue of the Shares or by these Articles, any capital

raised by creation of new Shares shall be considered as part of the existing Share Capital and shall be subject to the provisions of these Articles and the Act with reference to payment of calls and instalments, transfer, transmission, forfeiture, lien, surrender, voting rights and otherwise.

10. Subject to the provisions of the Section 55 of Act, any Preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by special resolution determine.

11. Subject to the provisions of the Act and these Articles, the Company shall have the power to issue Preference Share Capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such Preference Shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.

12. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.

13. 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.

14. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

15. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.

16. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

V. BUY-BACK OF SHARES

17. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and other applicable provisions of the Law, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary.

VI. FURTHER ISSUE OF SHARES

18. (1) Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then such Shares shall be offered –

(a) to the persons who, on the date specified under applicable law, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the paid up Share capital on those Shares by sending a letter of offer subject to the following conditions, namely:

(i) the offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(j) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) hereof shall contain a statement of this right; provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him.

(b) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to Shareholders and the Company.

(c) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as prescribed in the Act and the rules thereunder; or

(d) to any persons, if its authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed in the Act and the rules thereunder:

(2) The notice referred to in sub-clause (i) of clause (a) of sub-article (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue. Nothing in such notice shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company (whether such option is conferred in these Articles or otherwise);

Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

(4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

(5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

VII. COMMISSION

19. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act (as amended from time to time), provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.

20. The rate or amount of the commission shall not exceed the rate or amount prescribed under the rules made under sub-section (6) of Section 40 of the Act.

21. 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.

VIII. SHARES AND SHARE CERTIFICATES

22. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a “foreign register” of Members or debenture holders resident in that country.

23. Subject to applicable Law, every Person whose name is entered as a Member in the register of members shall be entitled to receive:

(i) one (1) or more certificates in marketable lots for all the Shares of each class or denomination registered in his name, without payment of any charge; or

(ii) several certificates, if the Board so approves (upon paying such fee as the Board so determines, subject to a maximum of twenty rupees), each for one (1) or more of such Shares, and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.

24. Every certificate shall be under the seal, if any, and shall specify the number and distinctive numbers of the Shares to which it relates and the amount paid-up thereon, shall be signed by two Directors or one Director and the company secretary and shall be in such form as prescribed under sub-section (3) of Section 46 of the Act.

25. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for a Share to 1 (one) or several joint holders shall be sufficient delivery to all such holders. Subject to the provisions of the Act, any Member of the Company shall have the right to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.

26. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back

thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding INR 50 (Rupees fifty) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. Notwithstanding the foregoing provisions of this Article, the Board shall comply with applicable Law including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

27. Subject to the provisions of the Act, the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures of the Company.

28. If any Share stands in the names of 2 (two) or more persons, the person first named in the register of Members of the Company shall as regards voting at meetings of the Company, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to the Company's Articles.

29. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

IX. CALLS ON SHARES

30. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.

31. Each Member shall, subject to receiving at least 14 (fourteen) days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

32. A call may be revoked or postponed at the discretion of the Board.

33. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

34. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

35. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10 % (ten per cent) per annum or at such lower rate, if any, as the Board may determine.

36. The Board shall be at liberty to waive payment of any such interest wholly or in part.

37. Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue,

such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

38. The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the Member paying such sum in advance agree upon not exceeding 12 (twelve) percent per annum, unless the company in general meeting shall directs otherwise, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.

39. Where any calls for further Share Capital are made on the Shares of a class, such calls shall be made on a uniform basis on all Shares falling under that class. For the purposes of this Article, Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

X. DEMATERIALIZATION OF SHARES

40. Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its Shares, debentures and other securities and offer such Shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the regulations made thereunder.

41. Notwithstanding anything contained in the Articles, and subject to the provisions of the Law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the Shares, which are in dematerialized form.

42. Every Person subscribing to the Shares offered by the Company shall have the option to receive Share certificates or to hold the Shares with a depository. Where Person opts to hold any Share with the depository, the Company shall intimate such depository of details of allotment of the Shares to enable the depository to enter in its records the name of such Person as the beneficial owner of such Shares. Such a Person who is the beneficial owner of the Shares can at any time opt out of a depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act, 1996 and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares. In the case of transfer of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

43. If a Person opts to hold his Shares with a depository, the Company shall intimate such depository the details of allotment of the Shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.

44. All Shares held by a depository shall be dematerialized and shall be in a fungible form.

(a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.

45. Every person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a depository. The Company shall be further entitled to maintain

a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.

46. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.

47. Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

XI. LIEN

48. The Company shall have a first and paramount Lien on: (a) every Share or debenture (not being a fully paid-up Share or debenture) registered in the name of each Member or holder, respectively (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture; and (b) on all Shares or debentures (not being fully paid Shares or debentures) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company; and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up Shares shall be free from all Liens and in case of partly paid-up Shares, the Company's Lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Provided that the Board may at any time declare any Shares or debentures wholly or in part to be exempt from the provisions of this Article.

49. The Company's Lien, if any, on a Share shall extend to all dividends and bonuses declared and payable by the Company from time to time in respect of such Shares.

50. The Company's Lien, if any, on a debenture shall extend to the interest payable from time to time in respect of such debentures.

51. The Company may sell, in such manner as the Board thinks fit, any Shares or debenture on which the Company has a Lien, provided that no sale shall be made:

(a) unless a sum in respect of which the Lien exists is presently payable;

(b) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered Member or holder for the time being of the Share or debenture, or the Person entitled thereto by reason of his death or insolvency.

52. Unless otherwise agreed, the registration of a transfer of Shares or debentures shall operate as a waiver of the Company's Lien, if any, on such Shares or debentures.

53. The following shall apply to any sale of Shares referred to in Article 51 above:

(a) The Board may authorise some person to transfer the Shares or debentures sold to the purchaser thereof;

(b) The purchaser shall be registered as the holder of the Shares or debentures that are the subject of any such transfer;

(c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale;

(d) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable;

(e) The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the Shares or debentures before the sale, be paid to the person entitled to the Shares or debentures at the date of the sale.

54. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of Lien.

XII. TRANSFER OF SHARES

55. The securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more persons in respect of transfer of securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.

56. Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares, not being a fully paid share, to a Person of whom they do not approve, and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 30 (thirty) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

57. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of Section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of Shares.

Provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.

58. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.

59. 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.

XIII. TRANSMISSION OF SHARES

60. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles shall release the estate of the deceased joint holder from any liability in respect of any Share, which had been

jointly held by him with other persons.

61. Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

(a) to be registered as holder of the Share; or

(b) to make such transfer of the Share as the deceased or insolvent Member could have made.

62. 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.

63. If the person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

64. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.

65. All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

66. A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

XIV. FORFEITURE OF SHARES

67. If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

68. The notice issued under Article 67 shall:

(a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

69. If the requirement of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

70. A forfeited Share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.

71. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

72. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date

of forfeiture, were presently payable by the person to the Company in respect of the Shares.

73. 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.

74. 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.

75. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed off.

76. The transferee shall there upon be registered as the holder of the Share.

77. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

78. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

XV. ALTERATION OF SHARE CAPITAL

79. Subject to these Articles and the provisions of Section 61 of the Act, the Company may, from time to time, by ordinary resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

80. Subject to the provisions of the Act, the Company may from time to time by ordinary resolution, undertake any of the following:

(a) consolidate or divide, all or any of the Share Capital into Shares of larger or smaller amount than its existing Shares;

(b) convert all or any of its fully paid-up Shares into stock, and re-convert that stock into fully paid-up Shares of any denomination;

(c) sub-divide its existing Shares or any number of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or

(d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

81. Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

(a) the Share Capital;

(b) any capital redemption reserve account; or

(c) any Share premium account.

XVI. CONVERSION OF SHARES INTO STOCK

82. Where Shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same Article under which, the Shares from which the stock arose might before the conversion have been transferred, or as near there to as circumstances admit, *provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in Shares, have conferred that privilege or advantage; and

(c) such of the Articles, as are applicable to paid-up Shares shall apply to stock and the words "*Share*", "*Shareholder*" and "*Member*" in those Articles shall include "*stock*" and "*stock holder*" respectively.

XVII. GENERAL MEETINGS

83. An annual General Meeting shall be held each calendar year within the timeline prescribed under Applicable Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine.

84. All General Meetings, other than the annual General Meeting, shall be extra-ordinary General Meetings.

85. The Board may, whenever it thinks fit, call an extraordinary general meeting.

86. The Board shall on the requisition of such number of member or members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

87. A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice if consent, in writing or by electronic mode, is accorded thereto—

(i) in the case of an annual general meeting, by not less than ninety-five per cent. of the Members entitled to vote thereat; and

(ii) in the case of any other general meeting, by Members of the Company holding, majority in number of Members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the Company as gives a right to vote at the meeting;

Provided further that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a General Meeting and not on the others, those Members shall be taken into account for the abovementioned purposes, in respect of the former resolution or resolutions and not in respect of the latter.

Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

XVIII. PROCEEDINGS AT GENERAL MEETINGS

88. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

89. Notwithstanding anything contained elsewhere in these Articles, the Company:

(a) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and

(b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Shareholders by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

Provided that any item of business required to be transacted by means of postal ballot under clause (*a*) above, may be transacted at a General Meeting by the Company which is required to provide the facility to Members to vote by electronic means under Section 108 of the Act, in the manner provided in that Section.

90. Directors may attend and speak at General Meetings, whether or not they are Shareholders.

91. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.

92. The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company. If there is no such chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall choose one of the Directors present to be chairperson of the meeting.

93. If at any General Meeting no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of the Members to be chairperson of such General Meeting.

94. The chairperson may, with the consent of Members at any General Meeting at which a quorum is present, and shall, if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place.

95. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Article 86 herein read with Section 100 of the Act shall stand cancelled.

96. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

97. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.

98. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

99. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of

an adjournment or of the business to be transacted at an adjourned General Meeting.

100. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.

101. If at the adjourned meeting too a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.

102. Any act or resolution which, under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or these Articles specifically require such act to be done or such resolution passed by a special resolution or by a unanimous approval of all the Members.

XIX. VOTING RIGHTS

103. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

(a) on a show of hands, every Member present in person shall have 1 (one) vote; and

(b) on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Equity Share Capital.

104. In the case of an equality of votes at any General Meeting the Chairman shall, both on a show of hands, on a poll (if any) and e-voting (if applicable), have casting vote in addition to the vote or votes to which he may be entitled as a member.

105. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than INR 500,000 (Rupees five lakh) or such higher amount as may be prescribed under applicable Law has been paid up.

106. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

107. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once. The Company shall also provide E-voting facility to the Shareholders of the Company in terms of the provisions of Act and the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.

108. In case of joint holders, the vote of the senior who tenders a vote, whether in person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.

109. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

110. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

111. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.

112. Any such objection made in due time shall be referred to the chairperson of the General Meeting whose

decision shall be final and conclusive.

XX. PROXY

113. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.

114. The proxy shall not be entitled to vote except on a poll.

115. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

116. An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.

117. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given; provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or the adjourned meeting at which the proxy is used.

XXI. BOARD OF DIRECTORS

118. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. The Company shall have such minimum number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Law. Further, the appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

119. The first Directors of the Company are:

a. Mr. Vasudeo Goenka
b. Mr. Ravi Goenka
c. Mr. Uma Shankar Modi
d. Mr. Desh Verma

120. Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.

(a) At every annual General Meeting of the Company, one-third of such of the Directors (that does not include independent Directors, whether appointed under the Act or any other Law for the time being in force, on the Board of the Company) for the time being as are liable to retire by rotation pursuant to applicable Law or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

(b) Subject to Section 152(6)(d) of the Act, the Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement amount themselves, be determined by lot.

(c) A retiring Director shall be eligible for re-election.

(d) Subject to Sections 152(6)(e) and 152(7)(a) of the Act and these Articles, the Company at the General Meeting at which a Director retires in a manner aforesaid may fill up the vacated office by electing a Person thereto.

(e) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(f) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, then the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
(iii) he is not qualified or is disqualified for appointment; or
(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

121. Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.

122. Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.

123. In addition to the remuneration payable to them in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company and any other expenses properly incurred by them in connection with the business of the Company. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.

124. A Director shall not be required to hold any qualification shares in the Company.

125. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other person as an additional director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any person so appointed as an additional Director shall retain his office only up to the date of the next annual General Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.

126. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "**Original Director**"), subject to these Articles and the provisions of the Act, the Board may appoint another person (an "**Alternate Director**") for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India

127. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Subject to the Act, such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by

the Company or the date, if any, specified by the Director in the notice, whichever is later. The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.

128. At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.

129. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.

130. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.

131. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

132. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of such Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification shares.

XXII. PROCEEDINGS OF THE BOARD

133. The Board may meet for the conduct of business and may adjourn and otherwise regulate its meetings, as it thinks fit.

134. A Director may and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

135. A minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act.

136. Subject to the provisions of the Act and the rules framed thereunder, all or any of the Directors or members of any committee of the Board may participate in a meeting of the Directors or such committee through video conferencing or other audio visual means.

137. No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

138. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have

begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

139. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

140. Subject to the provisions of the Act and the rules framed thereunder allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director. Each notice of a Board meeting shall:

(a) specify a reasonably detailed agenda. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board;

(b) be accompanied by any relevant supporting papers; and

(c) be sent by: (i) courier if sent to an address in India; (ii) by e-mail or facsimile transmission if sent to an address outside India; or by hand delivery.

141. Save as otherwise expressly provided in the Act or these Articles, questions arising at any meeting of the Board shall be decided by a majority of votes.

142. The Directors may from time to time elect a chairman who shall preside at the meetings of the Directors and determine the period for which he is to hold office. The same individual may be appointed as the chairperson of the Company as well as the managing Director and/or the chief executive officer of the Company. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the chairperson of the meeting.

143. The Board shall have the power to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates to or in the public field, as the Chairman Emeritus of the Company. The roles and functions of the Chairman Emeritus of the Company shall be as follows:

(a) The Chairman Emeritus shall hold office until he resigns from such position;

(b) The Chairman Emeritus shall be entitled to attend any meetings of the Board or any committee thereof and participate in the discussions on matters placed before the Board prior to the Director voting on such matters. However, the Chairman Emeritus shall not have any right to vote in the Board meetings or meetings of the committee thereof and shall not be deemed to be a party to any decision of the Board or committee thereof;

(c) The Chairman Emeritus shall be entitled to receive all notices of the Board meetings or meetings of the committees thereof, along with all other relevant documents (including the agenda, notes to agenda, etc.), simultaneous to the same being sent to the Directors of the Company prior to convening the Board meeting or meetings of the committees thereof;

(d) The Chairman Emeritus may provide guidance, mentorship and support to the Company and its Board and management and generally advise the Company/ Board/ management of the Company, from time to time. However, the advice provided by the Chairman Emeritus will not be binding on the Board/ Board committees/ Company;

(e) The Chairman Emeritus may, from time to time, interact with government officials, industry bodies, industry specialists and other leaders, at the request of the Board/ management of the Company on the specific matters;

(f) The Chairman Emeritus, shall not be deemed to be a ‘director’ or ‘officer’ for the purposes of the Act or any other laws or these Articles;

(g) Subject to applicable statutory provisions, the Board may from time to time decide to make such monthly payments and provide amenities and facilities to the Chairman Emeritus as it may deem fit;

(h) The Chairman Emeritus of the Company shall be indemnified by the Company out of the funds of the Company to pay all costs, losses and expenses which such Chairman Emeritus, acting in relation to any of the affairs of the Company may incur or become liable to by reason of any act or deed done by him in discharge of his duties.

144. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

145. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, as if it had been passed at a meeting of the Board or committee, duly convened and held, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

146. The Board shall constitute the statutory committees in accordance with applicable Law. Subject to provisions of the Act, the Board may delegate any of its powers to committees consisting of such Director or Directors as it thinks fit

147. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

148. Subject to applicable Law and these Articles, a committee may elect a chairperson of its meetings.

149. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of themselves to be the chairperson of the meeting.

150. A committee may meet and adjourn as it thinks fit.

151. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. In case of an equality of votes, the chairperson of the committee, if any, shall have second or casting vote.

152. Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

153. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at

the time of such discussion or vote.

154. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

155. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

156. Minutes of each meeting of the Board shall be circulated to all Directors.

XXIII. POWERS OF DIRECTORS

157. The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company. Subject to the provisions of the Act, the Board shall have the right to delegate any of their powers to such committee of Directors, managing director, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

158. Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

159. The Board of Directors shall, or shall authorize persons in their behalf, to make necessary filings with Governmental Authorities in accordance with the Act and other applicable Law, as may be required from time to time.

160. The Directors shall have the power to open and close bank accounts and operate the same generally, to sign cheques on behalf of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other person or persons to exercise such powers.

XXIV. MANAGING/WHOLE-TIME DIRECTORS AND KEY MANAGERIAL PERSONNEL

161. Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the managing Director/ whole-time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the managing Director / whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

162. Subject to the provisions of any contract between him and the Company, the managing Director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and shall ipso facto and immediately cease to be the managing Director if he ceases to hold the office of Director for any cause.

163. Subject to the provisions of the Act, the managing Director/whole-time Director shall, in addition to the remuneration payable to him as a Director of the Company, receive such remuneration as may be sanctioned by the Board from time to time and such remuneration may be fixed by way of salary or bonus or commission or participation in profit, or perquisites and benefits or by some or all of these modes.

164. Subject to the provisions of the Act, a chief executive officer, manager, company secretary or chief financial officer or any other key managerial personnel not more than one level below the Board and in the whole time employment of the Company and designated as a key managerial personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer or any other Key Managerial Personnel so appointed may be removed by means of a resolution of the Board.

165. A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

166. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and managing director, chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same Person acting both as Director and as, or in place of, managing director, chief executive officer, manager, company secretary or chief financial officer.

XXV. BORROWING POWERS

167. Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

168. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.

169. Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

XXVI. THE SEAL

170. The Board of Directors may select a seal for the Company and shall provide by resolution for the safe custody and affixing thereof.

171. The seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of such persons as the Board may authorise for the purpose and as may be required under applicable Law.

XXVII. DIVIDENDS AND RESERVES

172. The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.

173. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such dividends including interim dividends as appear to it to be justified by the profits of the Company.

174. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

175. 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.

176. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.

177. 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.

178. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.

179. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such person and to such address as the holder or joint holders may in writing direct.

180. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

181. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.

182. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.

183. No dividend shall bear interest against the Company.

184. Nothing herein shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares or paying up any amount for the time being unpaid on any Shares held by the Members of the Company.

185. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account of Laxmi Organic Industries Limited". Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before claim on such dividend becomes barred by applicable Law.

XXVIII. CAPITALISATION OF PROFITS

186. The Company in a General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in Article 185 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

187. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these Articles below, either in or towards:

(a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

(b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(c) Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

188. 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.

189. The Board shall have power to:

(a) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or debentures becoming distributable in fractions; and

(b) authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

190. Any agreement made under such authority shall be effective and binding on such Members.

XXIX. INDEMNITY

191. Subject to the provisions of the Act, every Chairperson/Co-Chairman/Chairman Emeritus/ Director, secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own willful neglect or default respectively.

192. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

XXX. ACCOUNTS

193. Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

194. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts or books or documents of the Company, or any of them, shall be open to inspection by the Members not being Directors subject to provisions of the Act and these Articles. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.

195. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meeting.

196. The books of accounts of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

XXXI. AUDIT

197. The statutory auditors of the company shall be appointed, their remuneration shall be fixed, rights, duties and liabilities shall be regulated and their qualifications and disqualifications shall be in accordance with the provisions of Sections 139 to 148 (both inclusive) of the Act.

198. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Sections 139 and 140 of the Act and the rules framed thereunder.

199. The remuneration of the auditors shall be fixed by the Company in the annual General Meeting or in such a manner as the Company in the annual General Meeting may determine except that, subject to the applicable provisions of the Act, remuneration of the first or any auditor appointed by the Directors may be fixed by the Directors.

200. The Company shall also appoint a reputed accounting firm as the internal auditor to conduct internal audit of the functions and activities of the Company in accordance with the provisions of the Act.

XXXII. SECRECY

201. Subject to the provisions of the Act, no Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors, managing directors or secretary or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the managing Director will be inexpedient in the collective interests of the Members of the Company to communicate to the public or any Member.

202. Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company will be upon entering his duties pledging himself to observe strict secrecy in respect of all matters of the Company including all

transaction with customers, state of accounts with individual and other matters relating thereto and to not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

203. Post listing of the Equity Shares, at the request of any Shareholder, the Company shall provide to such Shareholder: (i) annual reports; (ii) annual, semi-annual, quarterly and other periodic financial statements and reports; (iii) any other interim or extraordinary reports; and (iv) prospectuses, registration statements, offering circulars, offering memoranda and other document relating to any offering of securities by the Company, provided, in each case, that (a) the Company has, prior to providing any Shareholder with such information, made such information available to the public; and (b) the Company is not prohibited under any applicable Law from providing such information to such Shareholder.

XXXIII. WINDING UP

204. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

XXXIV. GENERAL AUTHORITY

205. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material were attached to the copy of the Red Herring Prospectus. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, were available for inspection at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (to the extent such documents, contracts and documents were executed prior to or on the date of the Red Herring Prospectus).

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar agreement dated December 14, 2020 entered into between our Company, the Promoter Selling Shareholder and the Registrar to the Offer.

2. Offer agreement dated December 15, 2020 entered into between our Company, the Promoter Selling Shareholder and the BRLMs.

3. Monitoring agency agreement dated February 22, 2021 entered into between our Company and the Monitoring Agency.

4. Escrow and sponsor bank agreement dated March 3, 2021 entered into between our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Member and the Banker(s) to the Offer.

5. Share escrow agreement dated March 2, 2021 entered into between the Promoter Selling Shareholder, our Company and the Share Escrow Agent.

6. Syndicate agreement dated March 3, 2021 entered into between our Company, the Promoter Selling Shareholder, the BRLMs, the Syndicate Member and the Registrar to the Offer.

7. Underwriting agreement dated March 18, 2021 entered into between our Company, the Promoter Selling Shareholder, and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.

2. Certificate of incorporation dated May 15, 1989.

3. Certificate of commencement of business dated December 20, 1989.

4. Resolution of the Board of Directors dated October 30, 2020 in relation to the Offer and other related matters.

5. Resolution of the Shareholders of our Company dated November 24, 2020 approving the Fresh Issue.

6. Resolution of the Board of Directors of our Company dated December 15, 2020 approving the Draft Red Herring Prospectus.

7. Resolution of the Board of Directors of our Company dated March 4, 2021 approving the Red Herring Prospectus.

8. Resolution of the Board of Directors of our Company dated March 18, 2021 approving this Prospectus.

9. Resolutions of the Board dated February 23, 2021 and February 28, 2021 approving the Pre-IPO Placement.

10. Resolution of the Shareholders of our Company dated February 24, 2021 and March 1, 2021 approving the Pre-IPO Placement.

11. Letters issued by our Company to the Pre-IPO Investors, each dated March 1, 2021.

12. Consent letter dated December 15, 2020 from the Promoter Selling Shareholder in relation to the Offer for Sale.

13. Consents dated November 30, 2020 and February 24, 2021 from Frost & Sullivan to rely on and reproduce part or whole of the "Independent Market Report on India Speciality Chemicals and Intermediates Market" and the "Utilities Supply Arrangement Benchmarking Analysis" and include their name in the Red Herring Prospectus and this Prospectus.

14. Consent dated March 18, 2021 from the Statutory Auditors to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated February 23, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of possible special tax benefits dated March 18, 2021included in this Prospectus.

15. Consent dated February 25, 2021 from the Statutory Auditors to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Consolidated Financial Statements and their examination report dated February 23, 2021 on the Restated Consolidated Financial Statements; and (ii) the statement of possible special tax benefits dated February 25, 2021 included in the Red Herring Prospectus.

16. Consent letter from D.K. Maheshwari, Chartered Engineer dated February 26, 2021 to include his name in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as an independent chartered engineer, with respect to the certificates issued by him in relation to (i) the Proposed Facility, (ii) the proposed expansion of the SI Manufacturing Facility, (iii) the purchase of plant and machinery for augmenting the infrastructure development at the SI Manufacturing Facility, and (iv) the installed capacity and capacity utilisation at the Manufacturing Facilities and Distilleries.

17. The examination report dated February 23, 2021 of the Statutory Auditors on our Restated Consolidated Financial Statements.

18. Share purchase agreement dated December 9, 2020 among our Company, AHPL, YCPL, Ravi Goenka and Harshvardhan Goenka.

19. The statement(s) of possible special tax benefits dated February 25, 2021 and March 18, 2021 from the Statutory Auditors.

20. Report titled "Independent Market Report on India Speciality Chemicals and Intermediates Market" dated November 30, 2020 and "Utilities Supply Arrangement Benchmarking Analysis" dated February 24, 2021 prepared by Frost & Sullivan.

21. Copies of annual reports of our Company for the Fiscals 2020, 2019 and 2018.

22. Consent of the Directors, BRLMs, Syndicate Member, the legal counsel to our Company as to Indian law, legal counsel to the BRLMs as to Indian Law, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Company Secretary and Compliance Officer, as referred to in their specific capacities.

23. Tripartite agreement dated October 25, 2012, among our Company, NSDL and the Registrar to the Offer.

24. Tripartite agreement dated April 10, 2019, among our Company, CDSL and the Registrar to the Offer.

25. Due diligence certificate dated December 15, 2020 addressed to SEBI from the BRLMs.

26. In-principle listing approvals both dated January 5, 2021 issued by BSE and NSE, respectively.

27. SEBI observation letter bearing reference number SEBI/HO/CFD/DIL2/RD/RP/OW/P/2021/3872/1 and dated February 11, 2021.

28. Application dated December 15, 2020 by our Company to SEBI seeking an exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from classifying Yogita Chokhani (sister of the spouse of Ravi Goenka) and body corporates/entities and HUFs in which Yogita Chokhani holds 20% or more of the equity share capital, as members of the Promoter Group.

29. Letter dated January 11, 2021 bearing reference number SEBI/HO/CFD/DILII/RD/RP/OW/2021/775/1 from SEBI granting our Company an exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from classifying Yogita Chokhani (sister of the spouse of Ravi Goenka) and body corporates/entities and HUFs in which Yogita Chokhani holds 20% or more of the equity share capital, as members of the Promoter Group.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Ravi Goenka (Chairman and Managing Director)	**Satej Nabar** (Executive Director and CEO)
Harshvardhan Goenka (Executive Director – Business development and Strategy)	**Rajeev Goenka** (Non-Executive Director)
Manish Chokhani (Independent Director)	**O.V. Bundellu** (Independent Director)
Dr. Rajeev Vaidya (Independent Director)	**Sangeeta Singh** (Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Partha Roy Chowdhury
(Chief Financial Officer)

Place: Mumbai

Date: March 18, 2021

DECLARATION

We, the undersigned, Yellow Stone Trust (acting through our trustee Ravi Goenka), the Promoter Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by Yellow Stone Trust in this Prospectus in relation to Yellow Stone Trust and the Equity Shares being offered by it in the Offer are true and correct. Yellow Stone Trust assumes no responsibility as a Promoter Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

Signed on behalf of Yellow Stone Trust

____

Name: Ravi Goenka
Designation: Trustee

Place: Mumbai

Date: March 18, 2021