



INDIA PESTICIDES LIMITED

Our Company was originally incorporated as 'India Pesticides Private Limited', a private limited company at Bareilly, Uttar Pradesh under the Companies Act, 1956 on December 13, 1984 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh at Kanpur. Subsequently, pursuant to a deed of dissolution dated June 30, 1987, our Company acquired the entire rights and liabilities of 'India Pesticides' a partnership firm formed under the Indian Partnership Act, 1932, where our Company was one of the partners at the time of dissolution of the firm. With effect from March 31, 1993, our Company became a deemed public company under Section 43A(1A) of the Companies Act, 1956, the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Uttar Pradesh at Kanpur to that effect. Subsequently, pursuant to a special resolution passed by the Shareholders of our Company in its annual general meeting on September 30, 2002, our Company was converted into a public limited company. A fresh certificate of incorporation dated April 24, 2003 consequent upon conversion into a public limited company under the Companies Act, 1956 was issued to our Company by the Registrar of Companies, Uttar Pradesh and Uttaranchal at Kanpur. For further details in relation to change in name of our Company, see "History and Certain Corporate Matters" on page 157.

Registered Office: 35-A, Civil Lines, Bareilly 243 001, Uttar Pradesh, India; **Tel:** +91 0581 2567459

Corporate Office: Swarup Cold Storage Compound, Water Works Road, Aishbagh, Lucknow 226 004, Uttar Pradesh, India; **Tel:** +91 0522 2653602

Website: www.indiapesticideslimited.com; **Contact Person:** Ajeet Pandey, Company Secretary and Compliance Officer; **E-mail:** investor@indiapesticideslimited.com

Corporate Identity Number: U24112UP1984PLC006894

OUR PROMOTERS: ANAND SWARUP AGARWAL AND THE ASA FAMILY TRUST

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF INDIA PESTICIDES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹8,000 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES, INCLUDING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,814 MILLION BY ANAND SWARUP AGARWAL (THE "PROMOTER SELLING SHAREHOLDER") AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹4,186 MILLION, BY THE OTHER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER, AND COLLECTIVELY WITH THE PROMOTER SELLING SHAREHOLDER, REFERRED TO AS THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES") AGGREGATING UP TO ₹7,000 MILLION (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), CONSIDER A FURTHER ISSUE BY OUR COMPANY OF UP TO [●] EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹750 MILLION (THE "PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND THE PRE-IPO PLACEMENT WILL BE UNDERTAKEN PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATIONS) RULES, 1957 AS AMENDED ("SCRR").

THE FACE VALUE OF EQUITY SHARES IS ₹1 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, AND [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF UTTAR PRADESH, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion") provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts and UPI ID (in case of RIBs), if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 291.

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 ₹1. The Floor Price, Cap Price and Offer Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

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

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly accepts responsibility for and confirms the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to such Selling Shareholder and its respective portion of the Offered Shares 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 to be Allotted 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 their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 307.

BOOK RUNNING LEAD MANAGERS TO THE OFFER

REGISTRAR TO THE OFFER

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: ipl ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mayuri Arya SEBI Registration Number: INM000012029	JM Financial Limited 7th Floor Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030 E-mail: indiapesticides.ipo@jmfml.com Investor grievance e-mail: grievance.ibd@jmfml.com Website: www.jmfml.com Contact Person: Prachee Dhuri SEBI Registration Number: INM000010361	KFin Technologies Private Limited Selenium Tower-B Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: ipl.ipo@kfintech.com Investor Grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: M Murali Krishna SEBI Registration Number: INR000000221

BID/ OFFER SCHEDULE

BID/ OFFER OPENS ON	[●] ⁽¹⁾	BID/ OFFER CLOSES ON	[●] ⁽²⁾

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

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms used in “Objects of the Offer”, “Basis for Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “History and Certain Corporate Matters”, “Financial Statements”, “Financial Indebtedness”, “Outstanding Litigation and Material Developments”, “Other Regulatory and Statutory Disclosures”, and “Description of Equity Shares and Terms of Articles of Association” on pages 97, 104, 107, 111, 151, 157, 179, 262, 264, 272 and 304, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
“our Company”, “the Company”, “the Issuer”	India Pesticides Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 35-A, Civil Lines, Bareilly 243 001, Uttar Pradesh, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
“Articles of Association” or “AoA”	Articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in “Our Management” on page 161
ASA Family Trust	ASA Family Trust, a private trust settled under the trust deed dated December 9, 2020
“Auditors” or “Statutory Auditors”	The current statutory auditors of our Company, being Lodha & Co., Chartered Accountants
“Board” or “Board of Directors”	The board of directors of our Company
Corporate Office	Corporate office of our Company located at Swarup Cold Storage Compound, Water Works Road, Aishbagh, Lucknow 226 004, Uttar Pradesh, India
“Corporate Social Responsibility Committee” or “CSR Committee”	The corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013
Director(s)	The directors on the Board of our Company
Equity Shares	Equity shares of our Company of face value of ₹1 each
Independent Directors	Independent directors on the Board, as disclosed in “Our Management” on page 161
IPO Committee	The IPO committee of the Board of Directors of our Company
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in “Our Management” on page 161
“Memorandum of Association” or “MoA”	Memorandum of association of our Company, as amended

Term	Description
MSA Family Trust	MSA Family Trust, a private trust settled under the trust deed dated December 9, 2020
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in “ <i>Our Management</i> ” on page 161
Other Selling Shareholders	Collectively, Sanju Agarwal, Mahendra Swarup Agarwal, Virendra Swarup Agarwal, Pramod Swarup Agarwal, Vishwas Swarup Agarwal, Vishal Swarup Agarwal, Sudha Agarwal, Komal Swarup Agarwal, Saurabh Swarup Agarwal, Aparna Gupta, Kajaree Swarup Agarwal, Anurag Swarup Agarwal, Sneh Lata Agarwal, Asha Agarwal, Nupur Goyal, Shalini Pawan Agarwal and Sugandha Swarup Arora
Promoters	Our Promoters, namely, Anand Swarup Agarwal and the ASA Family Trust
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 173
Promoter Selling Shareholder	Anand Swarup Agarwal
PSA Family Trust	PSA Family Trust, a private trust settled under the trust deed dated December 9, 2020
Registered Office	Registered office of our Company located at 35-A, Civil Lines, Bareilly 243 001, Uttar Pradesh, India
“Registrar of Companies” or “RoC”	Registrar of Companies, Uttar Pradesh at Kanpur
Restated Financial Information	Restated Financial Information comprises the restated Ind AS summary statements of assets and liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), and the restated Ind AS summary statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the six months ended September 30, 2020 and September 30, 2019, and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), together with the summary of significant accounting policies and explanatory information thereon, and has been derived from our audited interim financial statements as at and for the six months ended September 30, 2020 and September 30, 2019 each prepared in accordance with Ind AS, and our audited financial statements as at and for the financial year ended March 31, 2020 prepared in accordance with Ind AS, and our audited financial statements as at and for the years ended March 31, 2019 and March 31, 2018 each prepared in accordance with Indian GAAP, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended, included in “ <i>Financial Statements</i> ” on page 179.
Selling Shareholders	Collectively, the Promoter Selling Shareholder and the Other Selling Shareholders
Shareholders	Equity shareholders of our Company
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in “ <i>Our Management</i> ” on page 161
Subsidiary	Subsidiary of our Company, namely Shalvis Specialities Limited
VSA Family Trust	VSA Family Trust, a private trust settled under the trust deed dated December 9, 2020

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange

Term	Description
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
“Application Supported by Blocked Amount” or “ASBA”	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIBs which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Structure” on page 288
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations 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, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application

Term	Description
	Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Uttar Pradesh, where our Registered Office is located), each with wide circulation. Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Uttar Pradesh, where our Registered Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
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” or “BRLMs”	The book running lead managers to the Offer, namely, Axis and JM Financial
Broker Centres	Centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, <i>inter alia</i> , collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account

Term	Description
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	Offer Price, finalised by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders’ address, name of the Bidders’ father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated [●] issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●]

Term	Description
First or sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹1,000 million by our Company
Frost & Sullivan	Frost & Sullivan (India) Private Limited
F&S Report	Report titled “ <i>Independent Market Report on Agrochemicals & Pharmaceutical Intermediates</i> ” dated February 2021 issued by Frost & Sullivan, and commissioned by our Company
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
JM Financial	JM Financial Limited
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency, as applicable
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see “ <i>Objects of the Offer</i> ” on page 97
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA
Offer	The initial public offer of Equity Shares comprising of the Fresh Issue and the Offer for Sale. Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹750 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR
Offer Agreement	Agreement dated February 8, 2021 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to [●] Equity Shares aggregating up to ₹7,000 million, comprising of up to [●] Equity Shares aggregating up to ₹2,814 million by the Promoter Selling Shareholder and up to [●] Equity Shares aggregating up to ₹4,186 million by the Other Selling Shareholders in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus.

Term	Description																																																																								
	The Offer Price will be 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 and the Red Herring Prospectus																																																																								
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” on page 97																																																																								
Offered Shares	Up to [●] Equity Shares aggregating up to ₹7,000 million being offered for sale by the Selling Shareholders in the Offer for Sale as specified below: <table><tr><th>Name</th><th>Number of Equity Shares offered in the Offer for Sale</th><th>Aggregate proceeds from the sale of Equity Shares forming part of the Offer for Sale (in ₹ million)</th></tr><tr><td colspan="3">Promoter Selling Shareholder</td></tr><tr><td>Anand Swarup Agarwal</td><td>Up to [●]</td><td>Up to 2,814</td></tr><tr><td>Sub-total (A)</td><td>Up to [●]</td><td>Up to 2,814</td></tr><tr><td colspan="3">Other Selling Shareholders</td></tr><tr><td>Sanju Agarwal</td><td>Up to [●]</td><td>Up to 227</td></tr><tr><td>Mahendra Swarup Agarwal</td><td>Up to [●]</td><td>Up to 734</td></tr><tr><td>Virendra Swarup Agarwal</td><td>Up to [●]</td><td>Up to 290</td></tr><tr><td>Pramod Swarup Agarwal</td><td>Up to [●]</td><td>Up to 329</td></tr><tr><td>Vishwas Swarup Agarwal</td><td>Up to [●]</td><td>Up to 189</td></tr><tr><td>Vishal Swarup Agarwal</td><td>Up to [●]</td><td>Up to 217</td></tr><tr><td>Sudha Agarwal</td><td>Up to [●]</td><td>Up to 383</td></tr><tr><td>Komal Swarup Agarwal</td><td>Up to [●]</td><td>Up to 27</td></tr><tr><td>Saurabh Swarup Agarwal</td><td>Up to [●]</td><td>Up to 317</td></tr><tr><td>Aparna Gupta</td><td>Up to [●]</td><td>Up to 194</td></tr><tr><td>Kajaree Swarup Agarwal</td><td>Up to [●]</td><td>Up to 27</td></tr><tr><td>Anurag Swarup Agarwal</td><td>Up to [●]</td><td>Up to 59</td></tr><tr><td>Sneh Lata Agarwal</td><td>Up to [●]</td><td>Up to 416</td></tr><tr><td>Asha Agarwal</td><td>Up to [●]</td><td>Up to 290</td></tr><tr><td>Nupur Goyal</td><td>Up to [●]</td><td>Up to 194</td></tr><tr><td>Shalini Pawan Agarwal</td><td>Up to [●]</td><td>Up to 99</td></tr><tr><td>Sugandha Swarup Arora</td><td>Up to [●]</td><td>Up to 194</td></tr><tr><td>Sub-total (B)</td><td>Up to [●]</td><td>Up to 4,186</td></tr><tr><td>Total (A+B)</td><td>Up to [●]</td><td>Up to 7,000</td></tr></table>	Name	Number of Equity Shares offered in the Offer for Sale	Aggregate proceeds from the sale of Equity Shares forming part of the Offer for Sale (in ₹ million)	Promoter Selling Shareholder			Anand Swarup Agarwal	Up to [●]	Up to 2,814	Sub-total (A)	Up to [●]	Up to 2,814	Other Selling Shareholders			Sanju Agarwal	Up to [●]	Up to 227	Mahendra Swarup Agarwal	Up to [●]	Up to 734	Virendra Swarup Agarwal	Up to [●]	Up to 290	Pramod Swarup Agarwal	Up to [●]	Up to 329	Vishwas Swarup Agarwal	Up to [●]	Up to 189	Vishal Swarup Agarwal	Up to [●]	Up to 217	Sudha Agarwal	Up to [●]	Up to 383	Komal Swarup Agarwal	Up to [●]	Up to 27	Saurabh Swarup Agarwal	Up to [●]	Up to 317	Aparna Gupta	Up to [●]	Up to 194	Kajaree Swarup Agarwal	Up to [●]	Up to 27	Anurag Swarup Agarwal	Up to [●]	Up to 59	Sneh Lata Agarwal	Up to [●]	Up to 416	Asha Agarwal	Up to [●]	Up to 290	Nupur Goyal	Up to [●]	Up to 194	Shalini Pawan Agarwal	Up to [●]	Up to 99	Sugandha Swarup Arora	Up to [●]	Up to 194	Sub-total (B)	Up to [●]	Up to 4,186	Total (A+B)	Up to [●]	Up to 7,000
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Pre-IPO Placement	A further issue by our Company of up to [●] Equity Shares, for cash consideration aggregating up to ₹750 million. If the Pre-IPO Placement is undertaken the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR																																																																								
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Uttar Pradesh, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites																																																																								
Pricing Date	Date on which our Company and the Promoter Selling Shareholder in consultation with the BRLMs will finalise the Offer Price																																																																								
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto																																																																								

Term	Description
Public Offer Account	Bank account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Red Herring Prospectus” or “RHP”	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated February 8, 2021 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
“Registrar to the Offer” or “Registrar”	KFin Technologies Private Limited
“Retail Individual Bidder(s)” or “RIB(s)”	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time.

Term	Description
	Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars
“Syndicate” or “Members of the Syndicate”	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI 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
UPI ID/ PIN	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
APIs	Active pharmaceutical ingredients
Auxiliary	Inert material, which enables a processing operation or carry out the processes in a more efficient manner, added in specified proportions to make formulation products
CAGR	Compound Annual Growth Rate
CIBRC	Central Insecticides Board and Registration Committee
DSIR	Department of Scientific and Industrial Research, Ministry of Science & Technology, Government of India.
EBITDA	EBITDA is calculated as restated profit before tax, plus depreciation, amortization and impairment expenses and finance costs
EBITDA Margin	EBITDA divided by revenue from operations
ERP	Enterprise resource planning
Formulations	Product containing technical grade ingredients along with auxiliaries in definite proportion obtaining well-defined target properties
Fungicides	Pesticides those are targeted to kill fungi, which destroy useful plants
Herbicides	Pesticides those are used to destroy unwanted plants or weeds in midst of crop
Insecticides	Pesticides those are toxic and targeted to kill insects, which destroy vegetation.
Intermediates	Any chemical substance produced during the conversion of some reactant to a product.
MT	Metric tonne
Pesticides	Any substance or mixture of substances of chemical or biological origin intended for preventing, destroying, attracting, repelling, mitigating, or controlling any pest in agriculture, in households or for public health including unwanted species of plants or animals during the production, storage, transport, and distribution of agricultural commodities or animal feeds including substances intended for use as plant growth regulator, defoliant, desiccant, fruit thinning agents, or sprouting inhibitor and substances applied to crops either before or after harvest to protect them from deterioration during storage and transport
UPSIDC	Uttar Pradesh State Industrial Development Corporation
Technicals	Commercial form of the active ingredient used for manufacturing formulated pesticide products

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees	Indian Rupees
AIFs	Alternative Investments Funds
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
BSE	BSE Limited
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer

Term	Description
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (<i>earlier known as the Department of Industrial Policy and Promotion</i>)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
Factories Act	The Factories Act, 1948
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
Gazette	Gazette of India
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Insecticides Act	The Insecticides Act, 1968
Insecticides Rules	The Insecticides Rules, 1971
IPO	Initial public offering
IST	Indian Standard Time
IT Act	The Income Tax Act, 1961
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Term	Description
Mutual Fund (s)	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A	Not applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Individual resident outside India, who is a citizen of India
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Offer.
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
Profit After Tax	Profit after tax refers to restated profit for the period/ year and total other comprehensive income (net of tax)
R&D	Research and development
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Total Borrowings	Non-current borrowings including current maturities of non-current borrowings

Term	Description
U.S. QIBs	“Qualified institutional buyers” as defined in Rule 144A. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US\$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Financial Statements”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association” on pages 27, 69, 85, 97, 111, 134, 179, 264, 291 and 304, respectively.

Summary of the primary business of our Company	We are an R&D driven agro-chemical manufacturer of Technicals with a growing Formulations business. We were among the fastest growing agro-chemical companies in India in terms of volume in Fiscal 2020 (Source: F&S Report). We are also the sole Indian manufacturer and among top five manufacturers globally for several Technicals, such as, Folpet and Thiocarbamate Herbicide (Source: F&S Report). Since commencing our operations in 1984, we have diversified into manufacturing herbicide and fungicide Technicals and APIs. We also manufacture herbicide, insecticide and fungicide Formulations.										
Summary of the industry in which our Company operates	India crop protection chemicals exports are projected to grow to approximately 55% in 2024, in terms of value. In 2024, exports are expected to grow to US \$ 3.1 billion contributing 55% of total domestic production which is expected to be valued at US \$ 5.7 billion. Further, approximately 19 Technicals are expected to go off-patent between 2019 and 2026 and an opportunity size of over US\$ 4.2 billion is expected due to this by 2026 (Source: F&S Report)										
Name of Promoters	Anand Swarup Agarwal and the ASA Family Trust										
Offer size	Offer of up to [●] Equity Shares for cash at a price of ₹1 per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹8,000 million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,000 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹7,000 million, comprising of up to [●] Equity Shares by the Promoter Selling Shareholder and up to [●] Equity Shares, in the aggregate, by the Other Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹750 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.										
Objects of the Offer	The objects for which the Net Proceeds from the Offer shall be utilized are as follows: <table style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: right;">(₹ in million)</th></tr> <tr> <th style="text-align: center;">Particulars</th><th style="text-align: center;">Amount[#] (₹ in million)</th></tr> <tr> <td>Funding working capital requirements of our Company</td><td style="text-align: center;">800</td></tr> <tr> <td>General corporate purposes⁽¹⁾</td><td style="text-align: center;">[●]</td></tr> <tr> <td>Total</td><td style="text-align: center;">[●]</td></tr> </table> [#] Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹750 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. ⁽¹⁾ To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue	(₹ in million)		Particulars	Amount [#] (₹ in million)	Funding working capital requirements of our Company	800	General corporate purposes ⁽¹⁾	[●]	Total	[●]
(₹ in million)											
Particulars	Amount [#] (₹ in million)										
Funding working capital requirements of our Company	800										
General corporate purposes ⁽¹⁾	[●]										
Total	[●]										
Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Selling Shareholders as a	(a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:										

percentage of our paid-up Equity Share capital			
	Name	Number of Equity Shares [^]	Percentage of the pre-Offer Equity Share Capital (%)
	Promoters		
	Anand Swarup Agarwal*	44,789,850	40.07
	ASA Family Trust ⁽¹⁾	7,717,117	6.90
	Total (A)	52,506,967	46.97
	Promoter Group		
	PSA Family Trust ⁽²⁾	12,422,242	11.11
	Mahendra Swarup Agarwal*	11,069,375	9.90
	MSA Family Trust ⁽³⁾	5,695,875	5.10
	Virendra Swarup Agarwal*	4,621,750	4.13
	VSA Family Trust ⁽⁴⁾	2,200,000	1.97
	Pramod Swarup Agarwal*	1,220,508	1.09
	Vishal Swarup Agarwal*	985,000	0.88
	Vishwas Swarup Agarwal*	860,000	0.77
	Sanju Agarwal*	842,800	0.75
	Total (B)	41,042,550	36.71
	Total (C=A+B)	92,424,517	82.68
	[^] Based on BENPOS statements and demat account statements, as applicable		
	*Also participating in the Offer for Sale as a Selling Shareholder		
	⁽¹⁾ Acting through its trustee, Anand Swarup Agarwal. For further details in relation to the ASA Family Trust, see "Our Promoters and Promoter Group – Details of our Promoters" on page 173		
	⁽²⁾ Acting through its trustees, Anand Swarup Agarwal and Pramod Swarup Agarwal. For further details in relation to the PSA Family Trust, see "Our Promoters and Promoter Group - Our Promoter Group" on page 174		
	⁽³⁾ Acting through its trustees, Anand Swarup Agarwal and Mahendra Swarup Agarwal. For further details in relation to the MSA Family Trust, see "Our Promoters and Promoter Group - Our Promoter Group" on page 174		
	⁽⁴⁾ Acting through its trustees, Anand Swarup Agarwal and Virendra Swarup Agarwal. For further details in relation to the VSA Family Trust, see "Our Promoters and Promoter Group - Our Promoter Group" on page 174		
	(b) The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:		
	Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)
	Anand Swarup Agarwal [^]	44,789,850	40.07
	Mahendra Swarup Agarwal ^{*(1)}	11,069,375	9.90
	Virendra Swarup Agarwal ^{*(2)}	4,621,750	4.13
	Asha Agarwal	4,621,050	4.13
	Nupur Goyal	3,080,000	2.76
	Sugandha Swarup Arora	3,080,000	2.76
	Sneh Lata Agarwal	1,891,800	1.69
	Sudha Agarwal	1,743,800	1.56
	Shalini Pawan Agarwal	1,492,500	1.35
	Saurabh Swarup Agarwal	1,440,000	1.29
	Pramod Swarup Agarwal ^{*(3)}	1,220,508	1.09
	Vishal Swarup Agarwal*	985,000	0.88
	Aparna Gupta	880,000	0.79
	Vishwas Swarup Agarwal*	860,000	0.77
	Sanju Agarwal*	842,800	0.75
	Kajaree Swarup Agarwal	437,500	0.39
	Anurag Swarup Agarwal	220,500	0.20
	Komal Swarup Agarwal	102,083	0.09
	Total	83,378,516	74.59
	[^] Anand Swarup Agarwal is one of our Promoters. In addition to these Equity Shares, 7,717,117 Equity Shares of our Company, aggregating to 6.90% of the issued, subscribed and paid-up Equity Share capital of our Company, are held by the ASA Family Trust, through its trustee, Anand Swarup		

	Agarwal. For further details in relation to the ASA Family Trust, see “Our Promoters and Promoter Group – Details of our Promoters” on page 173 <i>*These Selling Shareholders are also a part of the Promoter Group</i> ⁽¹⁾ In addition to these Equity Shares, 5,695,875 Equity Shares of our Company, aggregating to 5.10% of the issued, subscribed and paid-up Equity Share capital of our Company, are held by the MSA Family Trust, through its trustees, Mahendra Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the MSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174 ⁽²⁾ In addition to these Equity Shares, 2,200,000 Equity Shares of our Company, aggregating to 1.97% of the issued, subscribed and paid-up Equity Share capital of our Company, are held by the VSA Family Trust, through its trustees, Virendra Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the VSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174 ⁽³⁾ In addition to these Equity Shares, 12,422,242 Equity Shares of our Company, aggregating to 11.11% of the issued, subscribed and paid-up Equity Share capital of our Company, are held by the PSA Family Trust, through its trustees, Pramod Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the PSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174																																																			
Summary of Selected Financial Information	The details of our share capital, net worth, revenue, Profit After Tax, earnings per share, net asset value per equity share and total borrowings for the six month period ended September 30, 2020 and September 30, 2019, and as at March 31, 2020, 2019 and 2018 (proforma) derived from the Restated Financial Information are as follows: (₹ in million, except per share data) <table><tr><th rowspan="2">Particulars</th><th rowspan="2">As at September 30, 2020</th><th rowspan="2">As at September 30, 2019</th><th colspan="3">As at March 31,</th></tr><tr><th>2020</th><th>2019</th><th>2018 (Proforma)</th></tr><tr><td>(A) Equity share capital</td><td>31.83</td><td>31.83</td><td>31.83</td><td>31.83</td><td>31.83</td></tr><tr><td>(B) Net worth</td><td>3,291.34</td><td>2,136.63</td><td>2,568.39</td><td>1,870.20</td><td>1,439.15</td></tr><tr><td>(C) Revenue</td><td>3,372.43</td><td>2,226.41</td><td>4,897.27</td><td>3,460.42</td><td>2,558.57</td></tr><tr><td>(D) Profit After Tax</td><td>722.95</td><td>266.42</td><td>705.85</td><td>438.71</td><td>327.54</td></tr><tr><td>(E) Earnings per share*</td><td>6.51[#]</td><td>2.41[#]</td><td>6.35</td><td>3.94</td><td>2.94</td></tr><tr><td>(F) Net asset value per share*</td><td>29.54[#]</td><td>19.18[#]</td><td>23.05</td><td>16.79</td><td>12.92</td></tr><tr><td>(G) Total borrowings</td><td>216.26</td><td>452.03</td><td>280.39</td><td>610.59</td><td>459.21</td></tr></table> <i>*Our Company has, pursuant to a Board resolution dated December 21, 2020 and Shareholders resolution dated December 28, 2020, sub-divided the equity shares of face value of ₹100 each to Equity Shares of face value of ₹1 each and undertaken a bonus issue of 79,581,250 Equity Shares. Net asset value per share and earnings per share is considered post sub-division and bonus issuance</i> <i>[#] Not annualised</i> Note: Total borrowings include short term borrowings as well as long-term borrowings	Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31,			2020	2019	2018 (Proforma)	(A) Equity share capital	31.83	31.83	31.83	31.83	31.83	(B) Net worth	3,291.34	2,136.63	2,568.39	1,870.20	1,439.15	(C) Revenue	3,372.43	2,226.41	4,897.27	3,460.42	2,558.57	(D) Profit After Tax	722.95	266.42	705.85	438.71	327.54	(E) Earnings per share*	6.51 [#]	2.41 [#]	6.35	3.94	2.94	(F) Net asset value per share*	29.54 [#]	19.18 [#]	23.05	16.79	12.92	(G) Total borrowings	216.26	452.03	280.39	610.59	459.21
Particulars	As at September 30, 2020				As at September 30, 2019	As at March 31,																																														
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(G) Total borrowings	216.26	452.03	280.39	610.59	459.21																																															
Auditor’s qualifications which have not been given effect to in the Restated Financial Information	There are no auditor qualifications which have not been given effect to in the Restated Financial Information.																																																			
Summary table of outstanding litigations	A summary of outstanding litigation proceedings involving our Company, Subsidiary, employees (in their capacity as employees of our Company), Promoters and Directors, as disclosed in “Outstanding Litigation and Material Developments” on page 264, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to a resolution dated January 23, 2021, as of the date of this Draft Red Herring Prospectus is provided below: (in ₹ million) <table><tr><th>Nature of cases</th><th>Number of cases</th><th>Total amount involved[^]</th></tr><tr><td colspan="3">Litigation involving our Company</td></tr><tr><td colspan="3">Against our Company</td></tr><tr><td>Material civil litigation proceedings</td><td>Nil</td><td>-</td></tr></table>	Nature of cases	Number of cases	Total amount involved [^]	Litigation involving our Company			Against our Company			Material civil litigation proceedings	Nil	-																																							
Nature of cases	Number of cases	Total amount involved [^]																																																		
Litigation involving our Company																																																				
Against our Company																																																				
Material civil litigation proceedings	Nil	-																																																		

	Criminal cases	8	-					
	Action taken by statutory and regulatory authorities	5	0.90					
	Taxation cases	2	6.31					
	By our Company							
	Material civil cases	Nil	Nil					
	Criminal cases	49	22.32					
	Taxation cases	Nil	Nil					
	Litigation involving our Directors							
	Against our Directors							
	Civil cases	Nil	Nil					
	Criminal cases	6	-					
	Action taken by statutory and regulatory authorities	Nil	Nil					
	Taxation cases	Nil	Nil					
	By our Directors							
	Civil cases	Nil	Nil					
	Criminal cases	Nil	Nil					
	Litigation involving our Promoters							
	Against our Promoters							
	Civil cases	Nil	Nil					
	Criminal cases	Nil	Nil					
	Action taken by statutory and regulatory authorities	Nil	Nil					
	Taxation cases	Nil	Nil					
	By our Promoters							
	Civil cases	Nil	Nil					
	Criminal cases	Nil	Nil					
	Litigation involving our Subsidiary							
	Against our Subsidiary							
	Civil cases	Nil	Nil					
	Criminal cases	Nil	Nil					
	Action taken by statutory and regulatory authorities	Nil	Nil					
	Taxation cases	Nil	Nil					
	By our Subsidiary							
	Civil cases	Nil	Nil					
	Criminal cases	Nil	Nil					
	[^] To the extent ascertainable							
	Other litigation which may have an impact on our Company:							
	<table><tr><th>Type of proceeding</th><th>Number of cases</th><th>Amount, to the extent quantifiable (₹ million)</th></tr><tr><td>Criminal litigation</td><td>1</td><td>Nil</td></tr></table>			Type of proceeding	Number of cases	Amount, to the extent quantifiable (₹ million)	Criminal litigation	1
Type of proceeding	Number of cases	Amount, to the extent quantifiable (₹ million)						
Criminal litigation	1	Nil						
For further details see “Outstanding Litigation and Material Developments” on page 260.								
Risk Factors	For details of the risks applicable to us, see “Risk Factors” on page 27.							
Summary table of contingent liabilities	The following is a summary table of our contingent liabilities as at September 30, 2020 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:							
	(₹ in million)							
	<table><tr><th>Particulars</th><th>As at September 30, 2020</th></tr><tr><td>Tax matters in dispute under appeal</td><td>6.31</td></tr></table>			Particulars	As at September 30, 2020	Tax matters in dispute under appeal	6.31	
	Particulars	As at September 30, 2020						
Tax matters in dispute under appeal	6.31							
For further details of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, see “Financial Statements – Note 34: Contingent Liabilities” on page 210.								
Summary of related party transactions	The details of related party transactions of our Company for the six month periods ended September 30, 2020 and September 30, 2019, and for the Financial Years ended March 31, 2020, 2019 and 2018 (proforma), as per Ind AS 24 – Related Party Disclosures are set forth in the table below:							

	(₹ in million)																																																																																																																																																																																									
	<table><tr><th>Particulars</th><th>For the six months ended September 30, 2020</th><th>For the six months ended September 30, 2019</th><th>For the year ended March 31, 2020</th><th>For the year ended March 31, 2019</th><th>For the year ended March 31, 2018 (Proforma)</th></tr><tr><td>(i) Remuneration</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Rajendra Singh Sharma</td><td>0.31</td><td>0.30</td><td>0.60</td><td>0.55</td><td>0.50</td></tr><tr><td>Ashok Kumar Gupta</td><td>0.78</td><td>0.72</td><td>1.47</td><td>1.07</td><td>0.97</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>(ii) Director Sitting Fees</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Govind Singh Mehta</td><td>-</td><td>-</td><td>0.08</td><td>0.08</td><td>0.03</td></tr><tr><td>Pranav Agarwal</td><td>-</td><td>-</td><td>0.04</td><td>0.04</td><td>0.03</td></tr><tr><td>Shweta Agarwal</td><td>-</td><td>-</td><td>0.04</td><td>0.04</td><td>0.03</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>(iii) Professional Fees</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Sanju Agarwal</td><td>0.45</td><td>0.15</td><td>0.70</td><td>0.30</td><td>0.30</td></tr><tr><td>Vishal Swarup Agarwal</td><td>6.00</td><td>6.00</td><td>12.00</td><td>12.00</td><td>3.00</td></tr><tr><td>Vishwas Swarup Agarwal</td><td>6.00</td><td>6.00</td><td>12.00</td><td>12.00</td><td>3.00</td></tr><tr><td>Anand Swarup Agarwal</td><td>6.00</td><td>6.00</td><td>12.00</td><td>12.00</td><td>3.00</td></tr><tr><td>Mahendra Swarup Agarwal</td><td>0.30</td><td>0.30</td><td>0.60</td><td>0.60</td><td>0.60</td></tr><tr><td>Pramod Swarup Agarwal</td><td>0.30</td><td>0.30</td><td>0.60</td><td>0.60</td><td>0.60</td></tr><tr><td>Virendra Swarup Agarwal</td><td>0.30</td><td>0.30</td><td>0.60</td><td>0.60</td><td>0.60</td></tr><tr><td>Sudha Agarwal</td><td>0.15</td><td>0.15</td><td>0.30</td><td>0.30</td><td>0.30</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>(iv) Rent Expenses</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Vishal Swarup Agarwal</td><td>0.27</td><td>0.27</td><td>0.54</td><td>0.54</td><td>0.36</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>(v) Reimbursement of Expenses</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Vishal Swarup Agarwal</td><td>0.60</td><td>0.40</td><td>1.20</td><td>1.20</td><td>1.25</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>(vi) Interest on Unsecured Loan</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Mahendra Swarup Agarwal</td><td>0.42</td><td>0.63</td><td>1.27</td><td>1.27</td><td>1.28</td></tr><tr><td>Pramod Swarup Agarwal</td><td>0.28</td><td>0.42</td><td>0.83</td><td>0.83</td><td>0.84</td></tr><tr><td>Sudha Agarwal</td><td>0.20</td><td>0.30</td><td>0.60</td><td>0.60</td><td>0.61</td></tr></table>	Particulars	For the six months ended September 30, 2020	For the six months ended September 30, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018 (Proforma)	(i) Remuneration						Rajendra Singh Sharma	0.31	0.30	0.60	0.55	0.50	Ashok Kumar Gupta	0.78	0.72	1.47	1.07	0.97							(ii) Director Sitting Fees						Govind Singh Mehta	-	-	0.08	0.08	0.03	Pranav Agarwal	-	-	0.04	0.04	0.03	Shweta Agarwal	-	-	0.04	0.04	0.03							(iii) Professional Fees						Sanju Agarwal	0.45	0.15	0.70	0.30	0.30	Vishal Swarup Agarwal	6.00	6.00	12.00	12.00	3.00	Vishwas Swarup Agarwal	6.00	6.00	12.00	12.00	3.00	Anand Swarup Agarwal	6.00	6.00	12.00	12.00	3.00	Mahendra Swarup Agarwal	0.30	0.30	0.60	0.60	0.60	Pramod Swarup Agarwal	0.30	0.30	0.60	0.60	0.60	Virendra Swarup Agarwal	0.30	0.30	0.60	0.60	0.60	Sudha Agarwal	0.15	0.15	0.30	0.30	0.30							(iv) Rent Expenses						Vishal Swarup Agarwal	0.27	0.27	0.54	0.54	0.36							(v) Reimbursement of Expenses						Vishal Swarup Agarwal	0.60	0.40	1.20	1.20	1.25							(vi) Interest on Unsecured Loan						Mahendra Swarup Agarwal	0.42	0.63	1.27	1.27	1.28	Pramod Swarup Agarwal	0.28	0.42	0.83	0.83	0.84	Sudha Agarwal	0.20	0.30	0.60	0.60	0.61	For details of the related party transactions, see “Financial Statements – Note 36: Related party disclosures as per IND AS” on page 213.				
Particulars	For the six months ended September 30, 2020	For the six months ended September 30, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018 (Proforma)																																																																																																																																																																																					
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Details of all financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus	Our Promoters, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.																																																																																																																																																																																									
Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year	The weighted average price at which the specified securities were acquired by our Promoters, in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:																																																																																																																																																																																									
	<table><tr><th>Name of the Promoter</th><th>Number of Equity Shares</th><th>Weighted average price of acquisition per Equity Share (in ₹)*</th></tr><tr><td>Anand Swarup Agarwal^{(1)^}</td><td>31,992,750</td><td>Nil</td></tr><tr><td>ASA Family Trust⁽²⁾</td><td>7,717,117</td><td>Nil</td></tr></table>					Name of the Promoter	Number of Equity Shares	Weighted average price of acquisition per Equity Share (in ₹)*	Anand Swarup Agarwal ^{(1)^}	31,992,750	Nil	ASA Family Trust ⁽²⁾	7,717,117	Nil																																																																																																																																																																												
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	^ For further details in relation to the acquisition, see “Capital Structure – Build-up of the shareholding of our Promoters in our Company” on page 93																																																																																																																																																																																									

	⁽¹⁾ Also participating in the Offer for Sale as a Selling Shareholder.																																																						
	⁽²⁾ Acting through its trustee, Anand Swarup Agarwal. For further details in relation to the ASA Family Trust, see “Our Promoters and Promoter Group – Details of our Promoters” on page 173																																																						
	The weighted average price at which the specified securities were acquired by the Other Selling Shareholders, in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:																																																						
	<table><tr><th>Name of the Other Selling Shareholders</th><th>Number of Equity Shares</th><th>Weighted average price of acquisition per Equity Share (in ₹)*</th></tr><tr><td>Mahendra Swarup Agarwal^{*(1)^}</td><td>8,343,750</td><td>Nil</td></tr><tr><td>Sneh Lata Agarwal[^]</td><td>4,729,500</td><td>Nil</td></tr><tr><td>Sudha Agarwal[^]</td><td>4,359,500</td><td>Nil</td></tr><tr><td>Pramod Swarup Agarwal^{*(2)^}</td><td>3,736,250</td><td>Nil</td></tr><tr><td>Saurabh Swarup Agarwal[^]</td><td>3,600,000</td><td>Nil</td></tr><tr><td>Virendra Swarup Agarwal^{*(3)^}</td><td>3,301,250</td><td>Nil</td></tr><tr><td>Asha Agarwal[^]</td><td>3,300,750</td><td>Nil</td></tr><tr><td>Sanju Agarwal^{*^}</td><td>2,580,000</td><td>Nil</td></tr><tr><td>Vishal Swarup Agarwal^{*^}</td><td>2,462,500</td><td>Nil</td></tr><tr><td>Aparna Gupta[^]</td><td>2,200,000</td><td>Nil</td></tr><tr><td>Nupur Goyal[^]</td><td>2,200,000</td><td>Nil</td></tr><tr><td>Sugandha Swarup Arora[^]</td><td>2,200,000</td><td>Nil</td></tr><tr><td>Vishwas Swarup Agarwal^{*^}</td><td>2,150,000</td><td>Nil</td></tr><tr><td>Shalini Pawan Agarwal[^]</td><td>1,125,000</td><td>Nil</td></tr><tr><td>Anurag Swarup Agarwal[^]</td><td>675,000</td><td>Nil</td></tr><tr><td>Komal Swarup Agarwal[^]</td><td>312,500</td><td>Nil</td></tr><tr><td>Kajaree Swarup Agarwal[^]</td><td>312,500</td><td>Nil</td></tr></table>	Name of the Other Selling Shareholders	Number of Equity Shares	Weighted average price of acquisition per Equity Share (in ₹)*	Mahendra Swarup Agarwal ^{*(1)^}	8,343,750	Nil	Sneh Lata Agarwal [^]	4,729,500	Nil	Sudha Agarwal [^]	4,359,500	Nil	Pramod Swarup Agarwal ^{*(2)^}	3,736,250	Nil	Saurabh Swarup Agarwal [^]	3,600,000	Nil	Virendra Swarup Agarwal ^{*(3)^}	3,301,250	Nil	Asha Agarwal [^]	3,300,750	Nil	Sanju Agarwal ^{*^}	2,580,000	Nil	Vishal Swarup Agarwal ^{*^}	2,462,500	Nil	Aparna Gupta [^]	2,200,000	Nil	Nupur Goyal [^]	2,200,000	Nil	Sugandha Swarup Arora [^]	2,200,000	Nil	Vishwas Swarup Agarwal ^{*^}	2,150,000	Nil	Shalini Pawan Agarwal [^]	1,125,000	Nil	Anurag Swarup Agarwal [^]	675,000	Nil	Komal Swarup Agarwal [^]	312,500	Nil	Kajaree Swarup Agarwal [^]	312,500	Nil
	Name of the Other Selling Shareholders	Number of Equity Shares	Weighted average price of acquisition per Equity Share (in ₹)*																																																				
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[^] For further details, see “Capital Structure – Share Capital History of Our Company” and “Capital Structure - Build-up of the shareholding of our Promoters in our Company” on pages 85 and 93.																																																							
[*] These Selling Shareholders are part of our Promoter Group																																																							
⁽¹⁾ In addition to these Equity Shares, 5,695,875 Equity Shares of our Company, aggregating to 5.10% of the issued, subscribed and paid-up Equity Share capital of our Company, were acquired in the last one year by the MSA Family Trust, through its trustees, Mahendra Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the MSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174																																																							
⁽²⁾ In addition to these Equity Shares, 12,422,242 Equity Shares of our Company, aggregating to 11.11% of the issued, subscribed and paid-up Equity Share capital of our Company, were acquired in the last one year by the PSA Family Trust, through its trustees, Pramod Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the PSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174																																																							
⁽³⁾ In addition to these Equity Shares, 2,200,000 Equity Shares of our Company, aggregating to 1.97% of the issued, subscribed and paid-up Equity Share capital of our Company, were acquired in the last one year by the VSA Family Trust, through its trustees, Virendra Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the VSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174																																																							
Average cost of acquisition of Equity Shares of our Promoters and the Other Selling Shareholders																																																							
The average cost of acquisition of Equity Shares held by our Promoters is as follows:																																																							
<table><tr><th>Name of the Promoter</th><th>Number of Equity Shares</th><th>Average cost of acquisition per Equity Share (in ₹)*</th></tr><tr><td>Anand Swarup Agarwal⁽¹⁾</td><td>44,789,850</td><td>0.03</td></tr><tr><td>ASA Family Trust⁽²⁾</td><td>7,717,117</td><td>Nil</td></tr></table>	Name of the Promoter	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*	Anand Swarup Agarwal ⁽¹⁾	44,789,850	0.03	ASA Family Trust ⁽²⁾	7,717,117	Nil																																														
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	The average cost of acquisition of Equity Shares held by the Other Selling Shareholders is as follows:																																																								
	<table><tr><th>Name of the Other Selling Shareholders</th><th>Number of Equity Shares</th><th>Average cost of acquisition per Equity Share (in ₹)⁺</th></tr><tr><td>Mahendra Swarup Agarwal^{*(1)}</td><td>11,069,375</td><td>0.01</td></tr><tr><td>Virendra Swarup Agarwal^{*(2)}</td><td>4,621,750</td><td>0.02</td></tr><tr><td>Asha Agarwal</td><td>4,621,050</td><td>0.02</td></tr><tr><td>Nupur Goyal</td><td>3,080,000</td><td>0.00**</td></tr><tr><td>Sugandha Swarup Arora</td><td>3,080,000</td><td>0.01</td></tr><tr><td>Sneh Lata Agarwal</td><td>1,891,800</td><td>0.02</td></tr><tr><td>Sudha Agarwal</td><td>1,743,800</td><td>0.02</td></tr><tr><td>Shalini Pawan Agarwal</td><td>1,492,500</td><td>0.02</td></tr><tr><td>Saurabh Swarup Agarwal</td><td>1,440,000</td><td>0.02</td></tr><tr><td>Pramod Swarup Agarwal^{*(3)}</td><td>1,220,508</td><td>0.02</td></tr><tr><td>Vishal Swarup Agarwal*</td><td>985,000</td><td>0.06</td></tr><tr><td>Aparna Gupta</td><td>880,000</td><td>0.00**</td></tr><tr><td>Vishwas Swarup Agarwal*</td><td>860,000</td><td>0.03</td></tr><tr><td>Sanju Agarwal*</td><td>842,800</td><td>0.94</td></tr><tr><td>Kajaree Swarup Agarwal</td><td>437,500</td><td>0.29</td></tr><tr><td>Anurag Swarup Agarwal</td><td>220,500</td><td>0.02</td></tr><tr><td>Komal Swarup Agarwal</td><td>102,083</td><td>0.29</td></tr></table>			Name of the Other Selling Shareholders	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹) ⁺	Mahendra Swarup Agarwal ^{*(1)}	11,069,375	0.01	Virendra Swarup Agarwal ^{*(2)}	4,621,750	0.02	Asha Agarwal	4,621,050	0.02	Nupur Goyal	3,080,000	0.00**	Sugandha Swarup Arora	3,080,000	0.01	Sneh Lata Agarwal	1,891,800	0.02	Sudha Agarwal	1,743,800	0.02	Shalini Pawan Agarwal	1,492,500	0.02	Saurabh Swarup Agarwal	1,440,000	0.02	Pramod Swarup Agarwal ^{*(3)}	1,220,508	0.02	Vishal Swarup Agarwal*	985,000	0.06	Aparna Gupta	880,000	0.00**	Vishwas Swarup Agarwal*	860,000	0.03	Sanju Agarwal*	842,800	0.94	Kajaree Swarup Agarwal	437,500	0.29	Anurag Swarup Agarwal	220,500	0.02	Komal Swarup Agarwal	102,083	0.29
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	Pramod Swarup Agarwal ^{*(3)}	1,220,508	0.02																																																						
	Vishal Swarup Agarwal*	985,000	0.06																																																						
	Aparna Gupta	880,000	0.00**																																																						
	Vishwas Swarup Agarwal*	860,000	0.03																																																						
	Sanju Agarwal*	842,800	0.94																																																						
	Kajaree Swarup Agarwal	437,500	0.29																																																						
	Anurag Swarup Agarwal	220,500	0.02																																																						
Komal Swarup Agarwal	102,083	0.29																																																							
**Negligible																																																									
⁺ As certified by Lodha & Co., Chartered Accountants by their certificate dated February 8, 2021																																																									
*These Selling Shareholders are also a part of our Promoter Group																																																									
⁽¹⁾ In addition to these Equity Shares, 5,695,875 Equity Shares of our Company, aggregating to 5.10% of the issued, subscribed and paid-up Equity Share capital of our Company, are held by the MSA Family Trust, through its trustees, Mahendra Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the MSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174																																																									
⁽²⁾ In addition to these Equity Shares, 2,200,000 Equity Shares of our Company, aggregating to 1.97% of the issued, subscribed and paid-up Equity Share capital of our Company, are held by the VSA Family Trust, through its trustees, Virendra Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the VSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174																																																									
⁽³⁾ In addition to these Equity Shares, 12,422,242 Equity Shares of our Company, aggregating to 11.11% of the issued, subscribed and paid-up Equity Share capital of our Company, are held by the PSA Family Trust, through its trustees, Pramod Swarup Agarwal and Anand Swarup Agarwal. For further details in relation to the PSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174																																																									
Details of the pre-IPO placement	Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹750 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.																																																								
Any issuance of Equity Shares in the last one year for consideration other than cash	Our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash.																																																								
Any split/consolidation of Equity Shares in the last one year	Our Company has, pursuant to a Board resolution dated December 21, 2020 and Shareholders resolution dated December 28, 2020, sub-divided the equity shares of face value of ₹100 each of our Company to Equity Shares of face value of ₹1 each.																																																								

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

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

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

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

The Restated Financial Information comprises the restated Ind AS summary statements of assets and liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), and the restated Ind AS summary statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the six months ended September 30, 2020 and September 30, 2019, and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), together with the summary of significant accounting policies and explanatory information thereon (collectively, the “**Restated Financial Information**”), and has been derived from our audited interim financial statements as at and for the six months ended September 30, 2020 and September 30, 2019 each prepared in accordance with Ind AS, and our audited financial statements as at and for the financial year ended March 31, 2020 prepared in accordance with Ind AS, and our audited financial statements as at and for the years ended March 31, 2019 and March 31, 2018 each prepared in accordance with Indian GAAP, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended.

For further information, see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information*” on pages 179 and 235, respectively.

There are significant differences between the Ind AS, the International Financial Reporting Standards (the “**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (the “**U.S. GAAP**”). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus.

The restated financial information for the six months ended September 30, 2020 and September 30, 2019, is not indicative of full year results and accordingly, such financial information is not comparable to the restated financial information for the Financial Years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma).

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 134 and 234, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, EBITDA Margin, long term debt to equity ratio, return on net worth, working capital, return on capital employed (“ROCE”), net worth and net asset value per share have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. For further details see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 234.

Currency and Units of Presentation

All references to:

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

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

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

Exchange Rates

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

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

Currency	As at*				
	September 30, 2020	September 30, 2019	March 31, 2020	March 29, 2019	March 28, 2018
1 EUR	86.57	77.33	83.05	77.70	80.62
1 USD	73.80	70.69	75.39	69.17	65.04

Source: RBI reference rate and www.fbil.org.in

* In case March 31/ September 30 of any of the respective years/ period is a public holiday, the previous working day, not being a public holiday, has been considered.

Industry and Market Data

Unless otherwise indicated, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from the report titled ‘*Independent Market Report on Agrochemicals & Pharmaceutical Intermediates*’ dated February 2021 by Frost & Sullivan (“**F&S Report**”) which has been commissioned by our Company. Frost & Sullivan is in the business of providing consultancy and information services such as advanced analytics, technology solutions and market research services to the healthcare industry. For risks in this regard, see “*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party*

statistical, financial and other industry information is either complete or accurate.” on page 57. The F&S Report is subject to the following disclaimer:

*“Independent Market Report on Agrochemicals & Pharmaceutical Intermediates” has been prepared for the proposed initial public offering of equity shares by **India Pesticides Limited** (the “Company”).*

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

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

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

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

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation.

Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors*” on page 27.

In accordance with the SEBI ICDR Regulations, “*Basis for Offer Price*” on page 104 includes information relating to our listed peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs or any of their affiliates have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the

Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “**U.S. QIBs**”) in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

Notice to Prospective Investors in the European Economic Area

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

Information to Distributors

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “seek to”, “shall”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the agro-chemicals and/ or pharmaceutical industry and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the agro-chemicals industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Failure to successfully obtain registrations or renew or maintain our statutory and regulatory permits and approvals required to operate our business and manufacturing facilities;
- Failure to comply with the quality standards and technical specifications prescribed by our customers;
- Inability to comply with the applicable regulations of the international markets where we export our products as well as obtain registrations from international agencies through our customers to enable exports of our products to other jurisdictions, or regulatory risks affecting our international operations;
- Inability to procure the desired quality and quantity of our raw materials in a timely manner and at reasonable costs, or at all;
- Inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers’ demands; and
- Seasonal variations and unfavourable local and global weather patterns.

Certain information in “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 111, 134 and 234, respectively, of this Draft Red Herring Prospectus have been obtained from the report titled ‘*Independent Market Report on Agrochemicals & Pharmaceutical Intermediates*’ dated February 2021 by Frost & Sullivan, which has been commissioned by our Company.

For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 134 and 234, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

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

These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future

performance. Neither our Company, the Selling Shareholders, our Promoters, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Further, each of the Selling Shareholders shall, severally and not jointly, ensure that our Company and the BRLMs are kept informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 111, 134, 179 and 234, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

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

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

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the six months ended September 30, 2019 and 2020 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with 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, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see “Financial Statements” on page 179. In this section, unless the context otherwise requires, any reference to “our Company”, “we”, “us” or “our” is a reference to India Pesticides Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Independent Market Report on Agrochemicals & Pharmaceutical Intermediates” dated February 2021 (the “F&S Report”), prepared and issued by Frost & Sullivan, commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

INTERNAL RISK FACTORS

- 1. We require certain approvals and licenses in the ordinary course of business, including certain registrations from the Central Insecticides Board and Registration Committee (“CIBRC”) for our products manufactured and sold in India as well as for exports to other jurisdictions. Any failure to successfully obtain such registrations or renew or maintain our statutory and regulatory permits and approvals required to operate our business and manufacturing facilities would adversely affect our operations, results of operations and financial condition.***

We are required to obtain and maintain various statutory and regulatory permits, approvals, licenses and registrations to operate our business, certain of which may have expired and have been applied for and certain of which are due to expire in the near future.

In particular, we are engaged in the manufacture of Technicals and Formulations and our products are required to obtain regulatory pre-approval. As per Section 9 of the Insecticides Act, any person desiring to

import or manufacture any insecticide may apply to the registration committee, i.e. CIBRC, for registration of such insecticide and there is a separate registration for each insecticide. Accordingly, we provide each of our agro-chemical Technicals and Formulations to the CIBRC for their approval where they undertake testing to check the composition and purity profile of our agro-chemical Technicals and Formulations before granting registrations. In addition, under Section 13 of the Insecticides Act, any person desiring to manufacture, sell, stock or exhibit for sale or distribute any insecticide, is required to make an application to the licensing officer of the respective state authority for the grant of license. In particular, for our Company, we obtain licenses under Section 13 of the Insecticides Act from the Department of Agriculture, Uttar Pradesh, which makes periodic visits to inspect the infrastructure facilities available at our manufacturing facilities as well as our agro-chemical Technicals and Formulations. As of the date of this Draft Red Herring Prospectus, we have obtained registrations and license to manufacture from the CIBRC and the Department of Agriculture, Uttar Pradesh for 22 agro-chemical Technicals and 124 Formulations for sale in India and 27 agro-chemical Technicals and 34 Formulations for export. For our APIs, as of the date of this Draft Red Herring Prospectus, we have obtained a license for manufacturing two drugs for sale at Dewa Road from the Drug Licensing and Controlling Authority under the Drugs and Cosmetics Rules, 1945.

In addition, as of the date of this Draft Red Herring Prospectus, we have also applied for registration from the CIBRC for the registration of certain Technicals and Formulations for manufacturing and sale, which are pending at various stages. The final approval from CIBRC may take from two months to one year depending on the category of the requested registration (*Source: F&S Report*). This registration process increases our cost of developing new products and does not guarantee that we will be successful in selling these products after their registration is granted. Further, a submission of an application to a regulatory authority does not itself lead to a grant of such application. Although, we have duly obtained such approvals for manufacturing and exporting the products we manufacture and distribute in India and in the international markets, there can be no assurance that we will be able to maintain or obtain the necessary approvals or registrations in the future. If we are unable to successfully obtain registrations in a timely manner, we may lose the market opportunities which may result in our delay or failure to recover the costs incurred towards seeking registrations and other related activities and may adversely affect our operations and profitability.

There may be instances where we have not applied for or obtained licenses or registrations in the ordinary course of business. For instance, we have not obtained registrations under the Legal Metrology (Packaged Commodities) Rules, 2011, as amended, and registrations under the applicable Professional Tax laws and shops and establishment laws in some of the states where our sales depots are situated. While no legal action has been initiated against us in respect of these licenses and registrations, we cannot assure you that the absence of such licenses will not result in a regulatory authority taking any action against us, which may impact our business and operations. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations or products. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, these permits, licenses and approvals could be subject to several conditions, and we cannot assure you that we would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals. Some of our licenses and approvals expire from time to time in the ordinary course of business and there can be no assurance that we will be able to apply and obtain such approvals, licenses or renewals in a timely manner or that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof. For further information, see “*Government and Other Approvals*” on page 269. An inability to renew, maintain or obtain any required permits, licenses, registrations or approvals may result in the interruption of a part or all of our operations and have a material adverse effect on our business, financial condition and results of operations.

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

We are engaged in the manufacture of agro-chemicals Technicals and Formulations that are used in the manufacture of fungicides, herbicides and insecticides, as well as APIs that are used in manufacture of pharmaceutical drugs, based on the technical specifications provided by our customers including various multinational corporations. The manufacture of Technicals and Formulations is complex, and we may experience problems during the manufacture of Technicals and Formulations for a variety of reasons,

including equipment malfunction, failure to follow specific protocols and procedures, manufacturing quality concerns, problems with raw materials, lack of technical know-how, natural disaster related events or other environmental factors. If our vendors fail to provide the raw materials or supply the same to our competitors or customers fail to provide technical know-how required for our products for any reason, the manufacture of our Technicals and Formulations could be disrupted, delayed or interrupted. Given the nature of our products and the sector in which we operate, our customers have stringent standards for product quality. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customer which could have adverse effect on our reputation, business and our financial condition. Additionally, it could expose us to monetary liability and, or, litigation.

Further, certain agreements with our customers require us to strictly adhere to the know-how and technical specifications mentioned therein. In particular, our agreement with a specific customer requires us to (i) obtain prior approval from the customer in order to make any changes in the manufacturing or test processes; (ii) indemnify the customer against all losses, damages and claims, arising from the manufacture and delivery of the products, failure to comply by the terms and conditions of the agreement, violation of environmental laws and any negligence or willful conduct; and (iii) be liable for any actual damages from lost sales in the event we fail to deliver the product in accordance with the purchase order, subject to the terms of the said agreement. In addition, the said agreement provides that the customer will be entitled to terminate or seek payment from us in the event we are unable to deliver the amount of product ordered, subject to the terms of such agreement. Failure to adhere to the know-how and technical specifications mentioned in our contracts may lead to cancellation of existing and future orders or expose us to warranty claims. In the past, we have received certain complaints from our customers for which our Company has undertaken corrective measures, as appropriate, and there can be no assurance that we would not receive such complaints in the future as well.

In addition, prior to placing the orders, there is an audit and review process that is undertaken by certain customers. This may involve inspection of our manufacturing facility and equipment, review of the manufacturing processes and raw materials, technical review of the specification of the proposed product, review of our logistical capabilities, and inspections and reviews of prototypes of the product. The finished product delivered by us is further subject to laboratory validation by certain customers. In particular, our agreement with a specific customer provides the customer the right to inspect our manufacturing facilities, and in the event our customer does not approve the condition of our facility or equipment or if we are unable to manufacture the product meeting the specifications in a reasonable period of time, in our customers' sole discretion, the customer has the right to terminate the agreement upon a written notice, subject to a certain cure period. 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 in our manufacturing facilities and manufacturing processes. 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.

- 3. *We are required to comply with the applicable regulations of the international markets where we export our products as well as obtain registrations from international agencies through our customers to enable exports of our products to other jurisdictions. Further, our international operations are subject to regulatory risks that could adversely affect our business and results of operations.***

As of September 30, 2020, we exported our products to over 20 countries, including Australia and other countries located in Europe, Africa and Asia, which are governed by their respective laws and require us or our customers to obtain approvals/ registrations from their respective relevant authorities. In Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, revenue generated from exports accounted for 34.58%, 50.13%, 62.12% and 65.73%, respectively, of our revenue from operations in such periods. We undertake these exports either through our customers who get our products registered with their respective regulatory authority or by ourselves by registering our products with the respective regulatory authority directly, such as Australian Pesticides and Veterinary Medicines Authority and Ministry of Agriculture, Spain. The name of our Company appears on the label of the package of the product as the "source" or "manufacturer" of these products meant for sale in a country. We are also required to comply with the local packaging disclosure requirements for the direct export and sale of our Formulations. Each applicable authority may impose its own requirements and/or delay or refuse to grant registration, even when a product has already been approved in another country. Even after we obtain all the requisite regulatory or governmental pre-approvals and registrations, our products may be subject to other continual governmental

oversight in connection with, among other things, quality control. In addition, after a period of time, in certain countries, the products are re-evaluated for their continued use and additional data may be required in relation to their safety aspects, which may become more stringent. There can be no assurance that we or our distributors/ dealers/ customers would be able to obtain the necessary approvals to import and/ or undertake sales of our products, or that we will be able to register or re-register our products in the countries where we export. If we are unable to do so in a cost effective and timely manner, it would restrict our ability to buy and sell our products in the relevant markets, which could have an adverse effect on our business, financial condition and results of operations.

In addition, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. Any developments in the global agro-chemicals industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition.

4. *Our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.*

R&D is integral to our business and we are continuously engaged in trying to develop new processes for manufacturing agro-chemical products or improve or further optimise and streamline the process of the production of various agro-chemical products. Our R&D efforts may not result in new technologies or products being developed on a timely basis or meet the needs of our customers as effectively as competitive offerings. We have invested substantial effort, funds and other resources towards our R&D activities and have set-up two dedicated R&D centers. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, our expenditure towards R&D was ₹ 14.76 million, ₹ 14.61 million, ₹ 16.32 million and ₹ 4.71 million, respectively. However, our ongoing investments in R&D for new products and processes may result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage could adversely affect our business. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations and financial condition. Further, our competitors may develop competing technologies that gain market acceptance before or instead of our products. We are also subject to the risks generally associated with new product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly which may lead to increased warranty claims. Further, to enable smooth operations at our R&D centres, we are also highly dependent on skilled workforce. The loss of the services of such skilled personnel or our inability to recruit or train a sufficient number of experienced personnel may have an adverse effect on our financial results and business prospects. For further details, see “- *We are dependent upon the experience and skill of our management team and a number of key managerial personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition*” on page 42.

Further, the agro-chemicals industry is characterised by technological advancements, introduction of innovative products, price fluctuations and intense competition. The laws and regulations applicable to our products, and our customers' product and service needs, change from time to time, and regulatory changes may render our products and technologies non-compliant or obsolete. Our ability to anticipate changes in technology and regulatory standards, understand industry trends and requirements, changes in consumer preferences and to successfully develop and introduce new and enhanced products to create new or address unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. This depends on a variety of factors, including, meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier produced raw materials for production; performance of suppliers; hiring and training of qualified personnel; validation/ approval of costs incurred on R&D; achieving cost and production efficiencies; identification of emerging regulatory and technological trends in our target end markets; validation and performance of innovative technologies; the level of customer interest in new technologies

and products; and the costs and customer acceptance of the new or improved products. There can be no assurance that we will be able to secure the necessary technological knowledge, through our own R&D or through technical assistance agreements or through strategic acquisitions that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in R&D, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

5. *Our agro-chemicals business is subject to climatic conditions, the overall area under cultivation and the cropping pattern adopted by the farming community. Seasonal variations and unfavorable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition.*

We are engaged in the manufacture of agro-chemical Technicals and Formulations, and as a result, our business is sensitive to weather conditions such as drought, floods, cyclones and natural disasters, as well as events such as pest infestations. The weather can affect the presence of disease and pest infestations in the short term on a regional basis, and accordingly, may adversely affect the demand for crop protection products. For example, in May 2020, the eastern states of India, including Odisha and West Bengal received significant rainfall due to cyclone Amphan and further the locust plague in central and western India and South Asian countries, may have a long-term impact in the agricultural economy of India. Our results of operations are significantly affected by weather conditions in the agricultural regions in which our products are used. The most important determinant of our sales is the volume of crops planted. Adverse conditions early in the season, especially drought conditions, can result in significantly lower than normal plantings of crops and therefore lower demand for crop protection products. This can result in our sales in a particular region varying substantially from year to year. Weather conditions can also result in earlier or later plantings and affect the levels of pest infestations, which may affect both the timing and volume of our sales or the product mix. Adverse weather conditions may also cause volatility in the prices of commodities, which may affect farmers' decisions about the types and quantum of crops to plant and may consequently affect the sales of our agro-chemical Technicals and Formulations. Further, we may be subjected to decreased availability of water, which could impact our manufacturing operations. The increasing concern over climate change may also result in enhanced regional and global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases, as well as more stringent regulation of water rights. In the event that such regulations are enacted and are more aggressive than the sustainability measures that we are currently undertaking to monitor our emissions, improve our energy efficiency, and reduce and reuse water, we may experience significant increases in our costs of operations.

Further, the sales of agro-chemical products are seasonal due to monsoon with the demand for pesticides generally higher during the monsoon season in India and other jurisdictions where our products are exported. Lack of monsoon in a particular year may result in the decline in demand for our products. As a result of such seasonal fluctuations, our sales and results of operations may vary by fiscal quarter and may not be relied upon as indicators of the sales or results of operations of other fiscal quarters, or of our future performance. Any significant reduction in the area under cultivation in these crops may significantly reduce the demand for our products. Further, the demand for our products is dependent on the cropping pattern which may vary year on year for these major crops. Any significant changes in the cultivable area and the cropping pattern for these crops may impact our sales and profitability.

6. *Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, such as, strikes and lockouts, could materially and adversely affect our business, financial condition and results of operations.*

Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lockouts, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period. The occurrence of any such incidents could also result in a destruction of certain assets, and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. In particular, due to the COVID-19 pandemic, operations at both of our manufacturing facilities at Dewa Road and Sandila were temporarily suspended for certain days in March 2020 and the first two weeks of April 2020 owing to the lockdown imposed by the Government, and we

subsequently resumed operations in a phased manner after April 15, 2020. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our customer, dealer and/or distributor relationships, business, financial condition and results of operations may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

Our operations are dependent on our reactors, machines, and equipment for manufacturing our products. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. In addition, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As certain regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. We may also be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. Further, we may also face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to import various supplies and products or purchase them locally in order to meet our production requirements, which could affect our profitability.

7. *We face foreign exchange risks that could adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.*

We have material exposure to foreign exchange related risks since a significant portion of our revenue from operations are in foreign currency, including the US Dollar and the Euro. In Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, revenue generated from exports accounted for 34.58%, 50.13%, 62.12% and 65.73%, respectively, of our total revenue from operations in such periods. Similarly, a significant portion of our expenses, including cost of any imported raw material such as tetrahydro phthalic anhydride, di-n-propylamine and other operating expenses as well as certain of our capital expenditure on equipment imported are denominated in currencies other than Indian Rupees. In Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, expenses in foreign currency accounted for 14.54%, 23.52%, 20.75% and 22.84%, respectively, of our total expenses in such periods. The exchange rate between the Indian Rupee and foreign currencies, primarily the USD, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, 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. For details of a sensitivity analysis for a change in foreign currency rates, see “Financial Statements – Note 41: Financial Risk Management” on page 221.

While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. Further, 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. Further, we have not entered into any hedging arrangements, such as, forward exchange contracts. Accordingly, any action that we may take and any amounts that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses and we cannot assure you of the sufficiency of these procedures or whether the procedures we have in place will be successful in managing our foreign currency exposure. For further information please see “*Financial Statements*” on page 179.

8. *Inability to meet the quality standard norms prescribed by the central and state governments in India as well as governments of other countries where we export our products, could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations, financial condition, and cash flows.*

The quality of pesticides manufactured in India, including the pesticides we manufacture, are open to independent verification by Government agencies including the respective governments of the countries where we export our products. Regulatory authorities, including the relevant state authorities under the Insecticides Act, may carry out inspection of our premises, plant, equipment, machinery, manufacturing or other processes and sample checks on any material or substance in relation to our product at short notice or without notice. The Government authorities could impose fines or issue us show cause notices if the samples are not in conformity with the prescribed quality norms. Any failure on quality control and/ or the required level of packaging disclosures by our Company could lead to suspension of sales of those batches and/ or product or our products being banned for sales. While, our Company has not faced any suspension/ ban on sale of any product in the past due to failure to meet prescribed quality standards, though certain show cause notices and proceedings have been initiated by Government agencies in India in relation to misbranded products, there can be no assurance that our products will not face any suspension/ ban in the future. For further, see “*Outstanding Litigation and Material Developments*” on page 264. Any such order passed by the governmental authorities could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

Further, our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Our manufacturing facilities at Dewa Road are accredited by international certifying agencies with ISO 9001: 2015, ISO 14001:2015, ISO 10002: 2018, and ISO 45001: 2018 (OHSAS) certifications and at Sandila are accredited with ISO 9001: 2015, ISO 10002: 2018, ISO 14001: 2015 and OHSAS 18001: 2007 certifications. Our R&D centres have been registered with the Department of Scientific and Industrial Research. Such specifications and standards of quality are an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our facilities, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

9. *Our operations are subject to environmental and workers’ health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.*

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environmental Protection Act, 1986, as amended (the “**Environment Act**”), the Air Act, the Water Act, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended, and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India (“**MoEF**”) and various statutory and regulatory authorities and agencies in India. The agro-chemical industry is subject to strict regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business in India, see “*Key Regulations and Policies*” on page 146. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties, and may result in our incurring costs to remedy any such discharge or emissions.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities. For instance, (i) in August 2019, we received a notice from the Uttar Pradesh Pollution Control Board (“UPPCB”) under section 5 of the Environment Protection Act, 1986, ordering us to shut down the Dewa Road facility on account of, *inter alia*, hazardous waste originating from our facilities at Dewa Road and consequent death of 23 buffaloes in the surrounding areas of the Dewa Road facility, allegedly due to the consumption of water in which our Company had allegedly discharged toxic water from the Dewa Road facility endangering the lives of animals, and non-compliance with the requirements of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended, which was subsequently disposed of by UPPCB subject to certain conditions; (ii) on August 18, 2020, we received a notice from the UPPCB (“2020 UPCCB Order”) in relation to the alleged disposal of industry generated pesticides waste from our facilities at Dewa road, affecting the soil and groundwater quality of the surrounding areas, and directing our Company to conduct a detailed survey of certain sites and to further submit a time-bound program for remediation of the polluted soil and groundwater in the affected area, based on a detailed project report to be approved by the Central Pollution Control Board and the UPPCB within a specified time period, and to deposit the annual cost for such remediation in a separate escrow account, for which we are still in the process of undertaking compliance; and (iii) one of our former directors, Ashok Kumar Gupta, was arrested in connection with criminal proceedings under sections 120B, 278, 304 and 201 of the Indian Penal Code, 1860, arising out of an FIR filed against a third party, in relation to alleged discharge from a tanker of poisonous hazardous chemicals allegedly procured by the third party from our Company, which allegedly resulted in the death of seven persons working in a nearby factory and four dogs. For further details in relation to the above, see “*Outstanding Litigation and Material Developments*” on page 264. Any non-compliance with the 2020 UPCCB Order or other similar regulatory orders or directions may subject us to further penalty and/or other action by the regulatory authorities which may have a material adverse effect on our reputation, business, financial condition and results of operations.

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

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

- 10. *We depend on the success of our relationships with our customers. A significant portion of our revenue is generated from certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We have developed strong and long-term relationships with various multinational corporations that has helped us expand our product offerings and geographic reach. Accordingly, we are dependent on our arrangements with such multinational corporations and our business depends on the continuity of our relationship with these customers. We have established relationships with our customers many of whom have been associated with our Company for over 10 years. We are dependent on a limited number of customers

for a significant portion of our revenues. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, our top 10 customers represented 43.80%, 54.35%, 58.59% and 69.27%, respectively, of our total revenues from operations in such periods. Our largest customer represented 22.50%, 29.63%, 16.75% and 25.20% of our total revenues from operations in Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, respectively. There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the agro-chemical industry or the economic environment generally, such as the COVID-19 pandemic, may materially and adversely affect our business, results of operations and financial condition.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future. In addition, our revenues may be adversely affected if there is an adverse change in any of our customers supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers. Maintaining strong relationships with our customers is, therefore, essential to our business strategy and to the growth of our business. Further, an agreement with a specific customer requires us to exclusively supply the product to the customer in certain specified jurisdictions during the term of the said agreement and for one year commencing upon the termination of the said agreement, subject to certain other terms and conditions. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. Also, see “- *We typically do not enter into long-term agreements with majority of our customers which would have a material adverse effect on our business, results of operations and financial condition.*” on page 40.

11. Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations.

Regulations and policies implemented by the Government of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. In particular, since majority of our revenues are derived from exports, any amendments to the export-import policies of the Government may potentially impact the business of our Company. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies levied by India or other countries, could adversely affect our business and results of operations. Also, see “- *We currently avail benefits under certain export promotion schemes and are entitled to certain subsidies. Any change in these benefits and subsidies applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.*” on page 47. Protectionist measures, including countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales.

Further, regulatory requirements with respect to our products and the products of our customers are subject to change. The Government of India has from time to time determined that the use of certain pesticides will likely involve risk to human beings and animals and have prohibited or restricted the manufacture, import, formulation, transportation, sale and/or use of such pesticides in India. For instance, in 2018, the Department of Agriculture, Co-operation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India (“**Ministry of Agriculture**”), pursuant to a notification dated August 8, 2018 had imposed a ban on 18 pesticides in India for manufacture, import, formulate, transport, sell, use. Further, in May 2020, the Ministry of Agriculture has further issued a notification proposing to ban 27 insecticides in India for the import, manufacture, sale, transport, distribution and usage citing that several countries had already imposed a ban on these insecticides. These 27 proposed banned pesticides are highly hazardous with potential to cause severe health problems, including, hormonal changes, carcinogenic, neurotoxic, reproductive and development health effect as well as environmental impacts, such as, higher toxicity level for bees (*Source: F&S Report*). The proposed list of 27 banned insecticides, includes Captan and Ziram, which are currently manufactured by us. The proposed ban has not come into effect as of the date of this Draft Red Herring Prospectus, and its timing and impact is currently uncertain. Pursuant to an addendum to notification dated June 10, 2020 issued by the Ministry of Agriculture, in partial modification of the May 2020 notification, it was clarified that the proposed ban would not cover manufacture for export purposes

only. Since, the proposed ban is unlikely to be enforced on exports from India, companies focused on exports are less likely to be impacted by it (*Source: F&S Report*). Further, the Pesticide Management Bill, 2020, which is proposed as the successor to the Insecticides Act contains provisions for registration of pesticides and the evaluation criteria for such registration, regulation of advertisements by manufacturers and compensation for loss due to use of low quality pesticides, amongst other provisions. For details regarding certain key regulations applicable to our business in India, see “*Key Regulations and Policies*” on page 146. An adverse change in the regulations governing the development 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, change our product portfolio 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 the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

12. *The continuing impact of the COVID-19 pandemic, or any future pandemic or widespread public health emergency could materially and adversely impact our business and operations and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.*

Since first being reported in December 2019, the outbreak of COVID-19 has spread globally. The World Health Organization declared the novel coronavirus disease (“**COVID-19**”) outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally, which are highly uncertain and cannot be predicted. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe. In addition, while the Government of India in coordination with the state governments have started the bulk immunization process or vaccination drive since January 16, 2021, such vaccination drive is currently focused on healthcare and front-line workers and achieving a complete vaccination scale may take significant amount of time. There is also no assurance that the vaccines that are developed will be fully effective.

On March 14, 2020, India declared COVID-19 as a ‘notified disaster’ and imposed a nationwide lockdown announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. However, since manufacturing of pesticides was determined to be an essential industry pursuant to the Ministry of Home Affairs order dated March 27, 2020, we were allowed to resume operations in a phased manner. Accordingly, both of our facilities restarted operations in a phased manner after April 15, 2020, subject to certain adjustments in working patterns, social distancing measures and additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. The COVID-19 pandemic resulted in some disruptions in the supply of raw materials from our domestic and international suppliers during the months of March and April 2020. We also experienced disruptions in supply chain and inventory management, as well as delays in orders and payments. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. Adverse effects of the COVID-19 pandemic may also significantly increase the effect of the aforementioned factors affecting our results of operations.

The impact of the pandemic on our business, operations and future financial performance has included and may include the following:

- result in a complete or partial closure of, or disruptions or restrictions on our ability to conduct, our manufacturing operations and R&D activities, resulting from government action;
- 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 significant percentage 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;
- impact our ability to travel, pursue partnerships and undertake other business transactions and delay shipments of our products;
- delays in orders or delivery of orders, which will negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. 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. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events.

As of the date of this Draft Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business. 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.

13. *There are outstanding litigation proceedings against our Company and our Directors. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.*

There are outstanding legal proceedings against our Company and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section “*Outstanding Litigation and Other Material Developments*” on page 264) involving our Company, Directors, employees (in their capacity as employees of our Company), Subsidiary and Promoters.

Nature of cases	Number of cases	Total amount involved [^] (₹ million)
Litigation involving our Company		
<i>Against our Company</i>		
Material civil litigation proceedings	Nil	-
Criminal cases	8	-

Nature of cases	Number of cases	Total amount involved [^] (₹ million)
Action taken by statutory and regulatory authorities	5	0.90
Taxation cases	2	6.31
By our Company		
Material civil cases	Nil	Nil
Criminal cases	49	22.32
Taxation cases	Nil	Nil
Litigation involving our Directors		
Against our Directors		
Civil cases	Nil	Nil
Criminal cases	6	-
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Directors		
Civil cases	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Promoters		
Against our Promoters		
Civil cases	Nil	Nil
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Promoters		
Civil cases	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Subsidiary		
Against our Subsidiary		
Civil cases	Nil	Nil
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Subsidiary		
Civil cases	Nil	Nil
Criminal cases	Nil	Nil

[^]To the extent ascertainable

Other litigation which may have an impact on our Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable (₹ million)
Criminal litigation	1	Nil

There can be no assurance that these legal proceedings will be decided in our favor or in favor of our Company and Directors. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management's time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. For further details, please refer to "Outstanding Litigation and Material Developments" on page 264.

14. An inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations and financial condition.

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Our major raw materials include, *inter alia*, chlorine, tetrahydro phthalic anhydride, carbon di sulphide, technical grade urea, di-n-propylamine and benzyl chloride. For further information, see "Our Business – Procurement and Raw Materials" on page 146. The raw materials of our Company are bulk chemicals and accordingly, we depend on external suppliers for all these raw materials required for production and typically purchase raw materials

on a purchase order basis and place such orders with them in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. We also import a certain amount of raw materials from international suppliers, such as, tetrahydro phthalic anhydride and di-n-propylamine. In Fiscal 2020 and the six months ended September 30, 2020, we imported 34.56% and 36.04%, respectively, of our total raw materials from international suppliers. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins. See “- *Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations*” on page 53. If we cannot fully offset increases in raw material prices with increases in the prices for our products, we will experience lower margins, which will have a material adverse effect on our results of operations and financial condition. In the absence of such contracts we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner or at all.

Although we have not faced significant disruptions in the procurement of raw materials in the past, the COVID-19 pandemic temporarily affected our ability to source raw materials from certain vendors, located both internationally and domestically, who were unable to transport raw materials to us. There can be no assurance that we will procure the quantities and quality of raw materials commensurate with our requirements in the future. In Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, the cost of materials consumed represented 47.33%, 57.10%, 53.50% and 50.84%, respectively, of our revenue from operations. There can be no assurance that a particular supplier will continue to supply us with raw materials in the future. Any delay in supplying finished products to customers, dealers and/ or distributors in accordance with the terms and conditions agreed with them, such as delivery within a specified time, as a result of delayed raw material supply, could result in the customer, dealer and/ or distributor refusing to accept our products, which could have an adverse effect on our business and reputation. Further, we cannot assure you that we will be able to enter into new or continue our existing 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.

Further, we rely on historical trends and other indicators to purchase the required quantities of raw materials. We, therefore, run the risk of purchasing more raw materials than necessary, which could expose us to risks associated with prolonged storage of some of these materials, and materially affect our results of operations. Conversely, if our customers, dealers and/ or distributors place orders for greater quantities of products compared to their historical requirements, we may not be able to adequately source the necessary raw materials in a timely manner, and may not have the required available manufacturing capacity to meet such demand. In addition, if all or a significant number of our suppliers for any particular raw material are unable or unwilling to meet our requirements or our estimates fall short of the demand, we could suffer shortages or significant cost increases. Continued supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our customers, dealers and/ or distributors in a timely manner or at all, which could negatively affect our business, overall profitability and financial performance.

15. *We derive a significant portion of our revenues from operations from a limited number of markets and any adverse developments in these markets could adversely affect our business.*

We have historically derived a significant portion of our revenues from operations from a limited number of markets, namely, Australia, Europe and Asia. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, we derived 1.24%, 10.19%, 30.48% and 23.55% of our revenues from sale of products from business in Australia, 72.38%, 60.33%, 43.54% and 59.88% of our revenues from sale of products from business in Europe, and 21.20%, 22.88, 21.24% and 12.41% of our revenues from sale of products from business in Asia (including India), respectively. Our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease, such as the COVID-19 pandemic. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations and financial condition.

16. *We face competition from both domestic as well as multinational corporations and our inability to compete effectively could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects.*

We face competition from both domestic and multinational corporations. Our failure to obtain new customers or to retain or increase our existing market share or effectively compete could adversely affect our business, financial condition and results of operations. Competition in our business is based on pricing, relationships with customers, product quality, customization and innovation. We are exposed to the risk of losing market share to cheaper imports from other countries, which could adversely affect our business, financial condition and results of operations. We also face pricing pressures from multinational companies that are able to produce chemicals at competitive costs and consequently, supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our profitability.

Additionally, some of our competitors in the agro-chemicals segment may have greater financial resources, technology, R&D capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Accordingly, we may not be able to compete effectively with our competitors across our product portfolio, which may have an adverse impact on our business, financial condition, results of operations and future prospects. We may also incur significant expense in preparing to meet anticipated customer requirements that we may not be able to recover or pass on to our customers. Increased competition may force us to improve our process, technical, product and service capabilities and/or lower our prices or result in loss of customers, which may adversely affect our profitability and market share, in turn, affecting our business, financial condition, results of operations and future prospects. There is no assurance that we will remain competitive with respect to technology, design, quality or cost.

17. *We typically do not enter into long-term agreements with majority of our customers, which would have a material adverse effect on our business, results of operations and financial condition.*

Though we have had repeat orders from customers and have developed long-term relationships with certain customers, we typically do not enter into long-term contracts with our customers. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products and any loss of our customers will have a material adverse effect on our business, results of operations and financial condition. Customers with whom we do not have long-term agreements may choose to cease sourcing our products. In the event a customer ceases to use us as its preferred supplier for products that were specifically created for them, we cannot assure you that we will be successful in marketing those products to another customer. This could lead to a surplus of those products in our inventory. We are also exposed to risks of lower sales volume or lower price realization on such volumes depending on prevailing market conditions, as a result of such short-term arrangements. Our relationship with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, consistent product quality and minimum production capacity. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers and agents.

18. *We may be subject to significant risks and hazards when operating and maintaining our manufacturing facilities, including the manufacture, usage and storage of various flammable, corrosive or hazardous substances, for which our insurance coverage might not be adequate.*

Certain of the raw materials that we use as well as our finished goods are corrosive and flammable and require specialized 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. For instance, on August 18, 2020, we received a notice from the UPPCB in relation to the alleged disposal of industry generated pesticides waste from our facilities at Dewa road, affecting the soil and groundwater quality of the surrounding areas, and directing our Company to conduct a

detailed survey of certain sites and to further submit a time-bound program for remediation of the polluted soil and groundwater in the affected area, based on a detailed project report to be approved by the Central Pollution Control Board and the UPPCB within a specified time period and to deposit the annual cost for such remediation in a separate escrow account. For further details, see “-Our operations are subject to environmental and workers’ health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.” and “Outstanding Litigation and Material Developments – Litigation against our Company - Actions Taken by Regulatory and Statutory Authorities” on pages 33 and 265, respectively. In addition to natural risks such as earthquake, flood, lightning, cyclones and wind, other hazards, such as fire, structural collapse and machinery failure are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and may result in the suspension of operations.

We have obtained a standard fire and special perils policy for building, plant and machinery and stock, boiler and pressure plant insurance policy, burglary policy, for our manufacturing facilities, R&D centre, Corporate Office and/or branches across India. We have also obtained a marine cargo open insurance policy for rail/road transport of hazardous chemicals from any location in India to our manufacturing facilities. In addition, we also procured a public liability insurance policy, which will expire on February 9, 2021 and for which we have filed a renewal application. We may not have identified every risk and further may not be insured against every risk because such risks are either uninsurable or not insurable on commercially acceptable terms, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies such as COVID-19 and other pandemics, or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. However, we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. Our insurance cover for property, plant and equipment, and inventory, as of September 30, 2020 was ₹ 2,304.62 million, while our gross block of property, plant and equipment, and inventory, was ₹ 1,635.19 million as of September 30, 2020. Consequently, our insurance cover as a percentage of gross block of property, plant and equipment, and inventory, was 140.94%, as of September 30, 2020. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see “Our Business – Insurance” on page 149.

19. Our manufacturing facilities, Registered Office and Corporate Office are concentrated in a single region and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.

Our manufacturing facilities are located in UPSIDC Industrial Area at Dewa Road and Sandila in Uttar Pradesh, India along with our Registered Office and Corporate Office, which are also located in Uttar Pradesh. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state government or local governments in this region could adversely affect, amongst others, manufacturing operations and transport operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

20. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.

We have experienced stable growth over the past three years. Our revenue from operations has grown at a CAGR of 37.63% from ₹ 2,532.00 million in Fiscal 2018 to ₹ 4,796.27 million in Fiscal 2020 and was ₹

3,338.44 million in the six months ended September 30, 2020. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth depends on our ability to, amongst other factors, focus on R&D and process innovation to expand our product portfolio, grow customer base and revenue share with existing customers, focus on cost optimization, capitalize on industry opportunities, grow our portfolio of Formulations products, and expand our business and geographical footprint through inorganic growth. For further information, see “Our Business – Strategies” on page 138. Our ability to achieve growth will be subject to a range of factors, including our ability to identify trends and demands in the industry; compete with existing companies in our markets; consistently exercise effective quality control; recognition of our brand in the new regions; hire and train qualified personnel; and ability to transport our finished products efficiently. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Our future growth also depends on expanding our sales and distribution network to enter new markets, and recognition of our existing and recently introduced brands. We may face increased risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards and dealers/ distributors with efficient distribution networks. As a result, the products we introduce in new markets may be more expensive to produce and/ or distribute and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viability of these operations or our overall profitability.

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

21. *We are dependent upon the experience and skill of our management team and a number of key managerial personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.*

We are dependent on a highly qualified, experienced and capable management team for setting our strategic business direction and managing our business. Anand Swarup Agarwal, who is one of our Promoters, and our Chairman and Non-Executive Director and several of our key managerial personnel have extensive experience in the agro-chemicals sector. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our experienced sales team has also developed a number of dealer relationships that would be difficult to replace. Competition for qualified technical personnel and operators as well as sales personnel with established dealer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Competition among agro-chemical companies for qualified employees, particularly R&D personnel, is intense and the ability to retain and attract qualified individuals is critical to our success. As of September 30, 2020, we had 647 permanent employees. Although the weighted average attrition rate of our employees (based on age demographics) was 6.19% and 6.07%, respectively, in Fiscal 2020 and the six months ended September 30, 2020, respectively, we cannot guarantee that we will be able to recruit and retain qualified and capable employees. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management, R&D and sales personnel. 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.

22. *We derive almost all of our revenues from the sale of Technicals and Formulations in the agro-chemicals industry and any reduction in the demand for such products or the agro-chemicals industry could have an adverse effect on our business, results of operations and financial condition.*

We derive almost all of our revenues from the sale of Technicals and Formulations and our products have applications in the agro-chemicals industry. In Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, the sale of our agro-chemical Technicals and Formulations accounted for 99.92%, 99.87%, 99.65% and 98.79%, respectively, of our revenue from operations.

As a result, factors affecting the agro-chemicals industry or our customers, such as, (i) seasonality of demand for our customers' products, which may cause our manufacturing capacities to be under utilised during specific periods; (ii) our customers' failure to successfully market their products or to compete effectively; (iii) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products; and (iv) economic conditions of the markets in which our customers operate, could have an adverse effect on our business and sales to our customers would decline substantially. Accordingly, any significant downturn in the agro-chemical industry could have a significant impact on our financial condition and our growth prospects. Further, our revenue from the sale of such products may also decline as a result of increased competition, regulatory action, patent litigation, pricing pressures or fluctuations in the demand for or supply of such products, which may adversely affect our business, results of operations and financial condition.

23. *We are dependent on third-parties for certain operations, such as, transportation of raw materials, delivery of our finished products and hazardous waste management.*

Our success depends on the supply and transport of the various raw materials required for our manufacturing facilities and of our finished products from our manufacturing facilities to our customers, dealers and/ or distributors, which are subject to various uncertainties and risks. We use third party transportation providers for the supply of our raw materials and delivery of our products to domestic customers. We are also dependent on such third party freight and transportation providers for the delivery of our products to customers outside India. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers, distributors, customers and suppliers. Further, on account of the COVID-19 pandemic, our third-party transportation providers' operations were disrupted in the months of March and April 2020. In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. In particular, our operations are concentrated in the state of Uttar Pradesh, which is a land locked state. Accordingly, our export products are required to be transported by rail and road to reach the ports and similarly, our imported raw materials are required to be transported to us through rail and road from the ports. Any unforeseen delays in transit time would result in failure to meet our shipment deadlines, which may result in an increase in supply chain costs, such as storage and warehousing. Any delay in delivery of raw materials and products could result in the customers, dealers and/ or distributors refusing to accept our products, which could adversely affect our business and results of operations.

In addition, 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 dealers. 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. Our freight and handling charges were ₹ 87.94 million, ₹ 113.80 million, ₹ 176.88 million and ₹ 152.99 million, respectively, in Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, respectively, and represented 3.47%, 3.34%, 3.69%, and 4.58%, respectively, of our revenue from operations in such periods. 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.

Further, our Company also enters into arrangements with certain third parties who have the experience in hazardous waste management. However, any improper disposal of hazardous waste by such third parties could result in non-compliance with the relevant hazardous waste management laws and regulations, which may result in liabilities for our Company and require us to incur costs to remedy any such improper disposal, adversely affecting our business, results of operations and financial conditions.

24. *Our failure to keep our technical knowledge confidential could erode our competitive advantage. Further, failure to maintain confidential information of our customers could adversely affect our results of operations and, or, damage our reputation.*

We possess extensive technical knowledge about our products. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. As a result, we cannot be certain that our technical knowledge will remain confidential in the long-run. Certain technical knowledge may be leaked, either inadvertently or willfully, at various stages of

the manufacturing process. A significant number of our employees have access to confidential processes and product and customer information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we seek to enforce non-disclosure clauses in our employee agreements/ appointment letters, we cannot guarantee that we will be able to successfully enforce such agreements. The agreements with our customers include clauses on confidentiality, however, there can be no assurance that such agreements will be successful in protecting our technical knowledge or the confidential information of our customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation for breach of contract. Further, in a particular agreement with a customer, the obligation in relation to confidential information, as specified in the said agreement, shall remain in effect for a period of 20 years after the first receipt of such confidential information. The potential damage from such disclosure is increased as our processes and products are not patented, and thus we may have no recourse against copies of our processes and products that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over other companies could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

25. *Our inability to acquire, develop or protect our products, or defend successfully against claims asserting that we have infringed the intellectual property rights of third parties may adversely affect our business, financial condition and results of operations.*

We have obtained trademark registrations for our products ‘IPLDOLLAR’, ‘IPLGURU’, ‘IPLDIFEN’, ‘IPL SOLDIER’, ‘IPL ZIRAM27’ and ‘TAKATVAR’. We have applied for registration of our logo which is under objection as of the date of this Draft Red Herring Prospectus. We have submitted a response to the objection raised against our logo. For further information, see “Government and Other Approvals” on page 269. However, we do not have any trademark registrations for our brand names in the international markets where our products are exported. The measures we take to protect our intellectual property rights include applying for registration of our brand names, which may not be granted, due to various reasons such as similarity with any other registered trademark and prior usage. Accordingly, our efforts to protect our intellectual property may not be adequate. Further, third parties may challenge the measures that we take to protect our intellectual property rights and, as a result, our products may not always have the full benefit of intellectual property rights protection. We may also inadvertently use the trademarks registered by third parties which may lead to such third parties taking legal action against us by way of infringement proceedings and may be required to pay damages and penalties for the use of trademarks belonging to such third parties. We may also have to change the brand name used for our products and expend monies in the registering and marketing of a new and alternative brand names for the same products. As a result, we may lose market share and suffer a decline in our revenues and net earnings if we cannot successfully defend one or more trademarks. We do not believe that any of our products infringe the valid intellectual property rights of third parties. However, we may be unaware of intellectual property rights of others that may cover some of our products or services. In that event, we may be subject to significant claims for damages.

Intellectual property rights litigation can result in significant damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to manufacture or sell such products. While it is not possible to predict the outcome of any such litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products. In addition, claims of intellectual property infringement might also require us to enter into license agreements, which would reduce our operating margins, or in some cases, we may not be able to obtain license agreements on terms acceptable to us. The occurrence of any of these events could subject us to legal action and adversely affect our business and reputation.

26. *We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.*

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders’ consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business

and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the capital structure of the Company, investment by way of share capital in a company and changes in the MoA and AoA of the Company. Failure to comply with such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. Some of our lenders are also entitled to appoint directors on the Board of our Company.

In addition, we also have unsecured loans which may be recalled at any time at the option of such lenders. Certain of our secured loans may also permit the lenders to recall the loan on demand. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls which may adversely affect our operations and cash flows. A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt. For instance, in 2005, our Company allotted 16,930 Equity Shares to Industrial Development Bank of India, on account of conversion of overdue interest on financial assistance provided by Industrial Development Bank of India to our Company. For further details regarding re-structuring of the loan from Industrial Development Bank of India, see “*Capital Structure*” and “*History and Certain Corporate Matters*” on pages 85 and 157, respectively.

27. *We may have to reverse certain sales revenue if the return of our products by our customers is higher than initially provided for, which may adversely affect our business, financial condition and results of operations.*

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time *i.e.*, when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. While we give our customers the option to seek replacement of any defective products, we do not give our customers the right under purchase orders to return our products. Further, in the past, we have accepted, at our discretion, few damaged products, which have been returned by our customers. Further, in certain arrangements with customers, we provide the customers the right to claim refund if any product fails to meet the specified specifications within a specific period of time. In addition, the relevant reporting period following the sale and delivery of our products, we provide for any sales returns in our financial statements which we estimate based on actual returns to date, historical data available to us and our business interactions with our customers. We are required to reverse the sales revenue we recognized from any sale for such returned products, including products which have limited shelf lives. If the returns are higher than those initially anticipated in any given period, there may be significant fluctuations in our revenue, and our business, financial condition and results of operations may be adversely affected.

28. *Any change in Government policies towards the agriculture sector or a reduction in subsidies and incentives provided to farmers could adversely affect our business and results of operations.*

We expect that state and central government policies will continue to affect the income available to farmers to purchase crop protection products. Consequently, any changes in Government policies relating to the agriculture sector such as the reduction of government expenditure towards agriculture, the withdrawal of or changes in incentives and subsidies provided to farmers, export restrictions on crops, adverse changes in commodity prices or minimum support prices could affect the ability of farmers to spend on crop protection products, which in turn could adversely affect our business and results of operations. For instance, farmers in India, especially in the state of Uttar Pradesh, Haryana and Punjab, undertook state wide protests and demonstrations against the implementation of The Essential Commodities (Amendment) Act, 2020, The Farmers (Empowerment and Protection) Agreement on Price Assurance And Farm Services Act, 2020, and The Farmers’ Produce Trade and Commerce (Promotion And Facilitation) Act, 2020, which disrupted production in the agricultural sector, and consequently impacted our supplies. Subsequently, the Supreme Court of India has by way of its order dated January 12, 2020 stayed the implementation of these legislations. We cannot assure you that the implementation of these legislations or any other similar laws, regulations or policies, may not have an adverse impact on our business, financial condition and results of operations in the future.

29. *Our Promoter, our Chairman and Non-Executive Director, Anand Swarup Agarwal has provided personal guarantees for financing facilities availed by our Company and may in the future provide additional*

guarantees and any failure or default by our Company to repay such facilities in accordance with the terms and conditions of the financing agreements could trigger repayment obligations, which may impact the ability to effectively service obligations as our Promoter and Director, which may adversely impact our business and operations.

Our Promoter, our Chairman and Non-Executive Director, Anand Swarup Agarwal, has personally guaranteed the repayment of certain loan facilities taken by us, by guaranteeing the principal amounts for the outstanding facilities. For further details, please see “History and Certain Corporate Matters- Details of guarantees given to third parties by the Promoter Selling Shareholder” on page 160. Our Promoter and Director may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the guarantees may be invoked, which could negatively impact the reputation and net worth of our Promoter and Director. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

30. *Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.*

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase of raw materials and sale of our finished products. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Further, we require a substantial amount of capital and will continue to incur significant expenditure in maintaining and growing our existing infrastructure. In Fiscals 2018, 2019, 2020 and in the six months ended September 30, 2020, our capital expenditure towards additions to fixed assets (property, plant and equipment’s and intangible assets) were ₹ 118.82 million, ₹ 72.33 million, ₹ 308.37 million and ₹36.74 million, respectively. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. We intend to utilise ₹ 800.00 million (a part of the Net Proceeds) towards funding our incremental working capital requirements in Fiscal 2022. For further information on the use of Net Proceeds, see “Objects of the Offer” on page 97. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. For further information on the working capital facilities currently availed of by us, see “Financial Indebtedness” on page 262.

31. *Any violation of the Metrology Act and the Metrology Rules by us may lead to fines and penalties, or seizure and forfeiture of our products which could adversely affect our business.*

All of our products and the packaging of our products are required to comply with the standards of weight, measurement and numbers prescribed under the Metrology Act and the Metrology Rules. For details, see “Key Regulations and Policies” on page 151. If we fail to comply with such standards, or fail to obtain a license from the respective controller as mandated under the Metrology Act, or fail to obtain the verification of weights and measures by the government approved test centers under the Metrology Act, fines and penalties may be imposed on us. In addition, there could be seizure and forfeiture of our products, which could adversely affect our operations.

32. *We currently avail benefits under certain export promotion schemes and are entitled to certain subsidies. Any change in these benefits and subsidies applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.*

We currently avail benefits under the Advance Authorization Scheme issued by the Directorate General of Foreign Trade, which allows duty free import of inputs that are physically incorporated in an export product. Under the Advance Authorization Scheme we are bound by certain export obligations which require us to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said scheme along with interest. Further, our Company was entitled to the ‘Capital Interest Subsidy Scheme’ proposed by the Uttar Pradesh State Government. Under the ‘Capital Interest Subsidy Scheme’, 5% of the interest paid on term loans to establish a new unit was proposed to be reimbursed. The tenure of five years was completed in Fiscal 2019, and accordingly, as of September 30, 2020, ₹ 2.62 million benefit is supposed to be received by our Company under this scheme. In addition, our Company has also availed concession on stamp duty payable on lease deeds for certain plots against bank guarantees pursuant to an order dated December 5, 2012 issued by Uttar Pradesh Shasan Kar Evam Nibandhan Anubhag-7. In Fiscals 2018 and 2019, we also availed R&D tax benefits under the IT Act. For further information, see “Financial Statements” on page 179.

Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition. Further, the benefits/ subsidies under such industrial schemes are available to us for a fixed period subject to compliance with various terms and conditions and such incentive are not subject to renewal. However, there can be no assurance that we will continue to enjoy these benefits in the future or will be able to obtain timely disbursement of such benefits. State governments may unilaterally terminate incentives or amend such schemes with retrospective effect cancelling the incentives available under such schemes. Further, state governments may also delay in the disbursement of subsidies under such schemes. If such incentives expire, are terminated, or if the relevant authorities do not renew these schemes, or if there are any substantial delays in disbursements under such schemes our results of operations could be adversely affected.

33. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.*

Our operations involve extending credit for extended periods of time to our customers, dealers and distributors in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers, dealers and distributors. Our credit terms vary from 30 days to 180 days for our customers, dealers and distributors. While our customers typically provide us with letter of credits, we cannot guarantee that our customers, dealers and distributors will not default on their payments. Our inability to collect receivables from our customers, dealers and distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, our trade receivables were ₹ 1,247.79 million, ₹ 1,783.13 million, ₹ 1,831.74 million and ₹ 2,248.74 million, respectively, which represented 48.77%, 51.53%, 37.40% and 66.68%, respectively, of our total income for such periods. Our receivable turnover day was 180 days, 191 days, 140 days and 123 days in Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, respectively, and any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, dealers and distributors, and as a result could cause customers, dealers and distributors to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. In particular, farmers may be adversely affected by a number of factors beyond their control, such as, severe

monsoon, drought or low prices for their crops, which could affect their financial condition and consequently their ability to pay the dealers/ distributors for products that have already been sold to them and used by them. An increase in bad debts or in defaults by our customer, dealers and/ or distributors may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

34. *If any of the products of our customers cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected.*

We are engaged in the manufacture of Technicals and Formulations that are used in the manufacture of fungicides, herbicides and insecticides, as well as APIs that are used in manufacture of pharmaceutical drugs. If our customers' products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. As a result of these consequences, our reputation, revenues and profitability may be adversely affected.

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

We propose to utilise the Net Proceeds for funding of working capital requirements of our Company and for general corporate purposes. For further details of the proposed objects of the Offer, see "*Objects of the Offer*" on page 97. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. Further, as on the date of this Draft Red Herring Prospectus, the size of the Fresh Issue does not exceed ₹ 1,000 million and consequently, in accordance with Regulation 41 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the Offer. In the absence of a monitoring agency, our Company will have discretion to deploy the proceeds of the Fresh Issue. In the event the size of the Fresh Issue exceeds ₹1,000 million, subsequent to the filing of this Draft Red Herring Prospectus and prior to the filing of the Red Herring Prospectus with the RoC, our Company will appoint a monitoring agency in accordance with Regulation 41 of SEBI ICDR Regulations. Further, in accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

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

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

36. *All our manufacturing facilities are operated on industrial land allotted to us by industrial development corporation on a leasehold basis. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.*

All our manufacturing facilities are operated on industrial land allotted to us by Uttar Pradesh State Industrial Development Corporation ("**UPSIDC**") on lease ranging from 74 to 90 years. Under the terms of the lease deeds entered between UPSIDC and our Company, we are required to comply with certain ongoing conditions,

including the requirement to (i) not make any alterations to its Memorandum of Association and Articles of Association or the capital structure or shareholding of our Company without the written consent of the UPSIDC, (ii) not make any changes or permit to make any alteration in or addition to the building or other erections on the premises without the prior written permission of UPSIDC, (iii) not change its name without prior information to the Lessor and (iv) not change use of the plot. If we fail to meet any such conditions, the UPSIDC is empowered to re-enter the premises and terminate the lease. In addition, we are subject to enhanced rent after specified intervals and failure to make rent payments may result in default interest with the outstanding amount remaining as first charge on building and machinery. The lease deed also requires the lessee, for its labor needs, to give preference to people whose land was acquired for developing the industrial area where the facility is located.

Cancellation of the land leased to us due to, among other things, non-compliance of the conditions of the lease deed could have an impact on our financial condition, which could adversely impact our results of operations and financial condition.

- 37. *We have recently incorporated a Subsidiary, Shalvis Specialities Limited, that intends to conduct manufacturing activities. If the operations of our Subsidiary are conducted in a manner that do not yield the desired results, we may lose some or all of the investments that we have made in it and our results of operations, prospects, financial condition and cash flows may be adversely affected.***

We have recently incorporated a Subsidiary, Shalvis Specialities Limited, that *inter-alia* intends to conduct manufacturing activities of various types of chemicals and chemical products. If our Subsidiary is unable to conduct its business activities in a manner that is contemplated or in the event its business is impacted on account of reasons beyond our control, our results of operation, prospectus and financial condition may be adversely impacted. We cannot assure you that our Subsidiary will generate sufficient earnings and cash flows to pay dividends to our Company as its principal shareholder and consequently, our Company may not receive any return on the investment made in our Subsidiary. Further, our Subsidiary intends to acquire an immovable property for the purposes of expanding our manufacturing operations. If our Subsidiary is unable to acquire the proposed land in a timely manner or at all, we may lose all or some of the investment made in our Subsidiary.

- 38. *We will continue to depend on our distribution network for the distribution of our Formulations business. Any inability to expand or effectively manage or any disruption in our distribution network will adversely affect our business and results of operations.***

We distribute our Formulations through our distribution network. As of September 30, 2020, we have a network of over 20 sales depot consisting of branches, carrying and forwarding agents, and warehouses spread across 15 states in India and our distribution network comprised various dealers and distribution partners across India. Our future growth in the Formulations business depends on expanding our distribution network to enter new markets, through different sales and distribution channels as well as effective management of our distribution network. As a result, we rely and will continue to rely to a significant extent on the relationships we have with our distributors and dealers. We continuously seek to increase the penetration of our products by appointing new distributors and dealers targeted at different customer groups and geographies. We cannot assure you that we will be able to successfully identify or appoint new distributors/dealers or effectively manage our existing distribution network. If the terms offered to such distributors/dealers by our competitors are more favourable than those offered by us, the distributors/dealers may decline to distribute our products and terminate their arrangements with us. Further, we do not have exclusive or long-term arrangements with our distributors and dealers. We may be unable to appoint replacement distributors/dealers in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our results of operations. In addition, some of the agreements that we have entered into for our distribution centres have expired in the normal course of business, and we have not renewed these agreements as of the date of this Draft Red Herring Prospectus. We cannot assure you that we will be able to continue using these centres in the manner and on the same terms as we have done in the past, or at all.

Further, if our competitors provide better commissions or incentives to our customers, it could result in them favoring the products of other agro-chemical manufacturers including our direct competitors. In addition, our competitors may have access to a wider base of customers than us, or have exclusive arrangements with certain distributors/dealers who may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. Similarly our competitors may adopt innovative distribution models, which could be more effective than traditional distribution models resulting in a reduction in the sales of our products.

We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors/ dealers of our products, transportation bottlenecks, natural disasters, infectious disease outbreaks such as the COVID-19 pandemic, and labour issues, which could lead to delayed or lost deliveries. In addition, failure to provide distributors/ dealers with sufficient inventories of our products may result in a reduction in the sales of our products.

39. *We have made sales to certain companies in a country that is or has been, and our customers may engage in certain transactions in or with countries or companies that are, directly or indirectly, subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We have sold and expect to continue to sell our products to companies in Iran, which are, have been and/or are potentially subject to sanctions, on either a countrywide or named entity/person level. We also provide products to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iran. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. In Fiscals 2018, 2019 and 2020, we had revenue from sale of products of ₹ 32.37 million, ₹ 59.00 million and ₹ 53.43 million, respectively, from sales in Iran, constituting 1.28%, 1.73% and 1.12%, respectively, of our total revenue from sale of products in such periods. Further, we did not have any revenue from sale of products in Iran in the six months ended September 30, 2020. We have not been subject to any sanctions or sanctions-related enforcement in the past. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. Further, we cannot assure you that we will not have any future activities with countries subject to U.S. and other sanctions. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions. Further, we have undertaken to the BRLMs that we will not use, lend, contribute or otherwise make available the proceeds from the Offer, including through any other person or entity, for the purpose of financing the activities of any person, entity or country subject to such sanctions.

40. *Increasing use of alternative pest management and crop protection measures such as bio technology products, pest resistant seeds or genetically modified crops may reduce demand for our products and adversely affect our business and results of operations.*

Alternative pest management and crop protection measures, such as, organic farming, bio technology products, pest resistant seeds or genetically modified crops may reduce the demand of our agro-chemicals products. The growth and acceptance of such alternative pest management and crop protection products and measures by consumers may have an adverse effect on the sales of chemical pesticides which may, in turn, affect the financial condition and results of operations of our Company. Zero budget farming is another such alternative to crop protecting chemicals which is a farming methodology that involves no use of chemical fertilizers. The concept was referred to in the Union Budget for Fiscal 2019 of the Government of India. Implementation of the said program may impact the sale of agro-chemical fertilizers, thereby causing a decline in the business operations and revenue of our Company

Further, genetically modified crops are crops whose DNA has been altered to provide them with certain desirable characteristics. The characteristics are usually targeted at higher yields, lower sensitivity to weather conditions, and resistance to common pests. In particular, significant research is being carried out to develop and commercialize seed traits that carry resistance to many of the pests, such as insects and fungi, for which farmers currently use crop protection products. Successful commercialisation of such traits may result in lower demand for certain of our products. Conversely, there have been instances of species of weeds and insects evolving to have resistance to agro-chemicals products designed to control or eradicate them. Such resistance may result in reduced demand for the affected product, which may not be offset by increased sales of alternative products. If we fail to adapt our product range to respond to such developments, demand for our products or their price may decline and adversely affect our business and results of operations.

41. *An inability to protect, strengthen and enhance our existing brand for our Formulations business could adversely affect our business prospects and financial performance.*

Our business reputation and brands under which we sell our Formulations, such as TAKATVAR, IPL ZIRAM27, IPLDOLLAR, IPLGURU, IPLDIFEN, and IPL SOLDIER, are critical to the success of our business. While we have been making consistent efforts to strengthen our brand, various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, and if not managed properly, may negatively affect our brand and reputation. These include our ability to effectively manage the quality of our products; increase brand awareness among existing and potential customers, dealers, distributors and farmers; adapt our advertising and promotion efforts to emerging industry standards; and protect the intellectual property related to our brand. Further, there can be no assurance that our advertising or marketing efforts will be successful in maintaining our brand and its perception with dealers and/ or result in increased sales in the future. Our inability to adapt to evolving marketing trends at the same pace as our competitors may adversely affect our ability to effectively compete in terms of our brand equity. In addition, our reputation and brands could also be affected by socially motivated groups, which could lead to a decline in our sales volume.

42. *Any failure or disruption of our information technology systems could adversely impact our business and operations.*

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. For instance, we have implemented an ERP system across our offices and manufacturing facilities, to handle purchase of goods, services, inventory, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation, and other business functions. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. While we have not experienced any disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. 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.

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

Defects, if any, in our products could lead to rejection of supplied products and consequential financial claims. Accordingly, we are exposed to risks associated with product liability claims if the use of our products results in personal injury. The products that we produce are subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. While our crop protection products are researched before being commercialized, there is no certainty of their long-term effects on soil or water supplies and any adverse effects caused by such products could adversely affect our business and reputation. Also, see “- *Our operations are subject to environmental and workers’ health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.*” on page 33.

We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Further, while we seek to conform our products to meet a variety of contractual specifications and regulatory requirements, there can be no assurance that product liability claims or recall claims against us will not arise, whether due to product malfunctions, defects, or other causes. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management’s time, adversely affect our goodwill and impair the marketability of our products.

Also, see “- *We are subject to strict technical specifications, quality requirements, regular inspections and audits by our customers including various multinational corporations. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such*

customers and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations.” and “- We may have to reverse certain sales revenue if the return of our products by our customers is higher than initially provided for, which may adversely affect our business, financial condition and results of operations.” on pages 28 and 45, respectively.

44. *Any surplus production on account of inaccurate forecasting of customer requirements, failure to manage inventory and under-utilization of our manufacturing capacities could adversely affect our business, results of operations, financial condition and cash flows.*

Our business depends on our estimate of the demand for our products from customers. We monitor our inventory levels based on our own projections of future demand, which are generally based on weather predictions and agriculture seasons of various parts of the world. Due to the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales. As of September 30, 2020, our total inventory amounted to ₹ 589.91 million. An inaccurate forecast of demand for any product can result in the unavailability/ surplus of our products. This unavailability of our products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of our products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially and ultimately create write-offs of inventory. 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.

We also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. In addition, in an agreement with a specific customer, we are obligated to produce more than the forecasted amount of the product, while the customer is not obligated to purchase the entire forecasted amount, which could result in excess inventory. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

Further, the success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers. In recent times, we have made significant investments for the expansion of our manufacturing capacities and are continuing to undertake additional investments to increase our existing capacity. In particular, we have also commenced construction of two manufacturing units at our Sandila facility for the proposed manufacture of herbicide Technicals. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. Our aggregate capacity utilization for agro-chemical Technicals was 88%, 80%, 76% and 77%, respectively, while for Formulations was 52%, 59%, 58% and 71%, respectively, in Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020. For further information, see “*Our Business - Capacity and Capacity Utilization*” on page 145. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

45. *The availability of counterfeit products passed off by others as our products, could adversely affect our reputation, goodwill and results of operations.*

Entities in India and international locations could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand names, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of

demand for our products and adversely affect our goodwill. Counterfeit products are frequently unsafe or ineffective, and can be potentially life-threatening. The proliferation of unauthorized copies of our products, and the time and attention lost to defending claims and complaints about spurious products, could decrease our revenue and have an adverse effect on our reputation, goodwill and results of operations.

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

In Fiscal 2020, we imported raw materials amounting to ₹ 822.65 million, which accounted for 34.56% of our total raw material purchases. Any restrictions, either from the Central or state governments of India, or from countries which we import from, on such imports may adversely affect our business, prospects, financial condition and results of operations. Some of our raw material imports are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, *inter alia*, allows the concerned authority to direct safety measures if it deems that the chemicals proposed to be imported may cause major accidents or stop an import of chemicals based on safety and environmental considerations. There can be no assurance that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Further, there can be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. Further, a significant portion of our expenses is due to freight carriage and transport and freight and forwarding expense and import freight charges. Any increase in import tariff will increase expenses which in turn may impact our business and results of operations.

47. *We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.*

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. As of September 30, 2020, we employed 647 permanent employees across our manufacturing facilities. In addition, we also employ contract labours for conducting various activities at our manufacturing facilities. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, certain past employees and the relatives of our past employees have filed litigations against our Company and there can be no assurance that we will not experience any such disruption in the future. For instance, the Presiding Officer, Labour Court, Lucknow has pursuant to an order dated September 7, 1998 summoned our Company, in connection with the termination of one of our former sales executives. Further, a case has also been filed by certain third parties before the Court of Employee Compensation Commissioner, 1923/ Assistant Labour Commissioner, Shahjahanpur, in relation to the alleged murder of an employee in the factory premises of our Company, seeking compensation under the applicable provisions of the Employee's Compensation Act, 1923. For further details, see "*Outstanding Litigation and Material Developments – Litigation against our Company - Actions Taken by Regulatory and Statutory Authorities*" on page 265. While these proceedings have not resulted in any disruptions in our operations, we cannot assure you that our employees may not institute similar proceedings against us in the future, which may adversely affect our business, result of operations and reputation. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing facilities as well as at our offices. Although we do not engage these labourers directly, we may be held responsible for any wage 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 condition.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If

our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

48. *Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.*

The cost and availability of capital, among other factors, depend on our credit rating. Our long-term bank facilities, long/ short-term bank facilities and short-term facilities have been rated CARE A-; Positive, CARE A-; Positive/ CARE A2+, and CARE A2+, respectively. 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. 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.

49. *A shortage or non-availability of essential utilities such as electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.*

Our business operations are heavily dependent on continuous and supply of electricity and water which are critical to our manufacturing operations. While our power requirements are met through local state power grid through interstate open access, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured through bore wells, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

50. *Our Registered Office and Corporate Office are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.*

Our Registered Office and Corporate Office are located on leased premises. For further details, see "Our Business – Properties" on page 150. Our Registered Office and Corporate Office are leased from members of the Promoter Group, and such leases are for a period of 24 months, subject to renewal on mutually agreed terms. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing offices on terms favorable to us, or at all. Further, our Registered Office is situated on leased premises, which are required to be utilized for residential use. As of the date of this Draft Red Herring Prospectus, the owners of the premises have not sought to convert the premises for commercial use, and in the event that the relevant zoning authorities issue any notices or impose any penalties on the premises, we may be required to shift our Registered Office to a new location, which may not be available at similar or more favourable terms as the current location. Our lease agreements for the Registered Office and the Corporate Office are not registered. Under Section 17 of the Registration Act, 1908, leases of immovable property from year to year, or for any term exceeding one year are mandatorily required to be registered. Any lease agreement in relation to a property that is mandatorily required to be registered cannot be received as evidence of any transaction affecting such property or conferring such power, unless it has been registered. Accordingly, we may not be able to enforce our right to use the Registered Office and/or the Corporate Office pursuant to the lease agreements. 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.

51. *If we are subject to any frauds, theft, or embezzlement by our employees, suppliers, contractors or dealers, it could adversely affect our reputation, results of operations, financial condition, and cash flows.*

Our operations may be subject to incidents of theft. We may also encounter some inventory loss on account of employee/ contractor/ dealer/ vendor fraud, theft, or embezzlement. Although we have set up various security measures in our manufacturing facilities such as deployment of security guards and operational processes such as periodic stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition, and cash flows.

52. *Resistance from farmers to crop protection chemicals and the inappropriate application of our products from farmers may adversely affect our business, financial condition and results of operations.*

Some crop protection chemical products, which may include some of our products, are facing increasing resistance from certain activist groups because of concerns over their alleged effects on food safety and the environment. These groups attempt to influence and, in some cases, litigate against governmental regulatory bodies to restrict the use of crop protection chemical products in their jurisdictions. Further, there can be no assurance that such resistance would not continue to spread in the future and any future resistance could adversely affect our business, financial condition and results of operation.

Further, farmers are required to be educated with the latest information on crop management, such as the appropriate kind of pesticide, its dosage and quantity and the frequency of its application, in order to apply pesticides, including our products, appropriately and effectively. Although majority of our packaging contains information about the optimum dosage and usage method, lack of education and awareness among farmers may lead to an inappropriate application of our products, which could result in crop damage, and other serious consequences. There can be no assurance that incidents involving inappropriate use of our products will not occur in the future, or that farmers will be adequately educated on the safe use of our products. Any inappropriate application of our products could result in a potential consumer dispute and adversely affect our brand image, prospects, business, financial condition and results of operations.

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

We have entered into transactions with certain related parties, including one of our Promoters, certain members of our Promoter Group, certain current and former Directors and Key Managerial Personnel of our Company. In particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, professional fees, rent expense, reimbursement of expenses and interest on unsecured loan. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, the aggregate amount of such related party transactions was ₹ 17.30 million, ₹ 44.62 million, ₹ 45.47 million and ₹ 22.36 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020 was 0.68%, 1.31%, 0.95% and 0.67%, respectively. For further information on our related party transactions, see “*Other Financial Information - Related Party Transactions*” on page 233. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

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

Information relating to the installed manufacturing capacity, actual production and capacity utilization of our facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity, actual production and capacity utilization of our manufacturing facilities. These assumptions and estimates relating to the installed manufacturing capacity include the standard capacity calculation practice of agro-chemical Technicals and Formulations after examining the calculations and explanations provided by the Company and the capacities and other ancillary equipment installed at the facilities. Further, the assumptions and estimates taken into account include the following: (i) number of working days in a year - 300; (ii) number of days in a month - 25; (iii) number of shifts in a day -

3; and (iv) number of hours – 24 hours a day. In addition the information relating to the actual production at our manufacturing facilities are based on, amongst other things, the examination of our internal production records, the period during which our manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Further, capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing facilities as at the end of the relevant period.

Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

55. *We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.*

There have been various mergers and acquisitions in the agro-chemicals segment in the last three years, resulting in four big players (*Source: F&S Report*). In the future, we may consider making strategic acquisitions of other agro-chemical manufacturing companies or other companies whose resources, capabilities and strategies are complementary to and are likely to increase our product portfolio and expand our distribution network. We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such strategic alliances, joint ventures or investments will be successful. It is also possible that we may not identify suitable acquisition or investment candidates, or that if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects. Further, if we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. 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.

56. *Our Promoters and certain of our Directors have interests in our Company other than their normal remuneration or benefits and reimbursement of expenses.*

Our Promoters and certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Our Promoters and Directors holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters and Directors, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 161 and 173, respectively.

57. *We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.*

As of September 30, 2020, our Restated Financial Statements disclosed the following contingent liabilities that have not been provided for were as follows:

Particulars	Amount (₹million)
Claims against our Company not acknowledged as debts	
Tax matters in dispute under appeal	6.31

For further information on our contingent liabilities, see “Financial Statements – Note 34: Contingent Liabilities” on page 210.

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

58. We have had negative cash flows from operating activities in the past and may, in the future, experience similar negative cash flows.

We have experienced negative cash flows from operating activities in Fiscal 2019 and may, in the future, experience negative cash flows.

The following table sets forth certain information relating to our cash flows for the periods indicated below:

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Net cash generated from operating activities	160.36	(33.79)	751.50	415.00	807.27
Net cash (used in) investing activities	(127.93)	(66.37)	(310.70)	(194.73)	(768.35)
Cash generated from / (used in) financing activities	(21.75)	92.94	(389.93)	(185.58)	(77.23)
Net increase/ decrease in cash and cash equivalents	10.68	(7.22)	50.87	34.69	(38.31)
Cash and cash equivalents at the end of the period/ year	23.52	16.30	67.17	50.99	28.86

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected

59. After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.

After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company. Our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders’ approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

60. We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.

We have issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price, as set out in the table below. For further details, see “Capital Structure” at page 85.

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Reason of allotment
January 28, 2021	371,380	1	33.70	Cash	Private Placement ⁽¹⁾

⁽¹⁾ Allotment of 185,690 Equity Shares to Arun Kishanlal Bagaria and 185,690 Equity Shares to Madhu Arun Kumar Bagaria.

61. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third party research agency, Frost & Sullivan, to prepare an industry report titled “Independent Market Report on Agrochemicals & Pharmaceutical Intermediates” dated February 2021, for purposes of inclusion of such information in this Draft Red Herring Prospectus. The F&S Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

62. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

We have declared dividend in the past in accordance with our dividend policy. For further information, see “Dividend Policy” on page 178. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

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

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

64. *We do not have documentary evidence for certain details in relation to one of our Directors and one of our Key Managerial Personnel included in “Our Management”, in this Draft Red Herring Prospectus.*

We do not have documentary evidence for certain details in relation to the educational qualifications of our Director, Anand Swarup Agarwal, and our Company Secretary and Compliance Officer, Ajeet Pandey, as included in “Our Management” on page 161. These details have been included based on the details provided by the relevant individuals, certifying the authenticity of the information provided. While Anand Swarup Agarwal and Ajeet Pandey have applied to the relevant educational institutions requesting for copies of their degree certificates, the requisitioned documents or responses from the educational institutions have not been received as of the date of this Draft Red Herring Prospectus. We cannot assure you that all the details in relation to the aforementioned Director and Key Managerial Personnel included in the “Our Management” section are complete, true and accurate. Further, we cannot assure you that the relevant individuals will receive any responses from their respective educational institutions, favourable or otherwise, within the timelines envisaged for the proposed listing of our Company.

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

Certain of our Company’s corporate records are not traceable or have discrepancies, including: (a) Form 2 for allotment of 5,230 equity shares on March 30, 1990; and (b) Form 5 for increase in authorized share capital of the Company to ₹ 35 million in 1993. For further details, see “Capital Structure – Share Capital History of our Company” on page 85. We cannot assure you that the relevant corporate records will become

available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect

66. *The Company has not made provision for decline in value of investment by the Company or revalued the investment.*

Our Company has made investments in, *inter alia*, quoted and unquoted equity shares, unquoted mutual funds, unquoted debt instruments and unquoted Government securities for which the provision for decline in value of investment of the Company is not made. If provision is made in the future on account of permanent decrease in value of these investments, our profits would reduce to the extent of such provision. This may have an impact on our results of operations and financial conditions. For more details, please see “*Financial Statements*” on page 179.

EXTERNAL RISK FACTORS

RISKS RELATING TO INDIA

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

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

In addition, China is one of India’s major trading partners and 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.

68. *The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID-19 pandemic, could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil

disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. 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 market price of the Equity Shares.

69. *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.

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

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy. 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.

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

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

Our Restated Financial Information has been derived from our audited interim financial statements as at and for the six months ended September 30, 2020 and September 30, 2019 each prepared in accordance with Ind AS, and our audited financial statements as at and for the financial year ended March 31, 2020 prepared in accordance with Ind AS, and our audited financial statements as at and for the years ended March 31, 2019 and March 31, 2018 each prepared in accordance with Indian GAAP, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Presentation of Financial Information*" on page 235. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

72. 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) Act, 2019 prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favor 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%. 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.

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, past claims of central excise, state VAT, 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, on November 11, 2020 our Company received a notice from the Directorate of Revenue Intelligence, Government of India, Kolkata Zonal Unit ("**Revenue Intelligence Notice**") alleging that the Company was availing exemption of the integrated goods and service tax on imported goods under advance authorisation scheme/ EOU scheme and also encashing the accumulated input tax credit accrued on account of other goods and services. Pursuant to the response dated January 5, 2021, we have inter alia clarified that we had obtained refund on goods exported after the payment of necessary taxes and sought further time to respond to the Revenue Intelligence Notice. We cannot assure you that the relevant governmental authorities will not take any action against us based on our response, or that we will not receive similar notices in the future. Any adverse action against us pursuant to the Revenue Intelligence Notice or other similar notices could have an impact on our profitability or reputation.

Due to COVID -19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975.

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. As such, there is no certainty on the impact that the Finance Bill 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.

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.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India’s sovereign rating decreased from Baa2 with a “negative” outlook to Baa3 with a “negative” outlook by Moody’s and from BBB with a “stable” outlook to BBB with a “negative” outlook (Fitch) in June 2020. India’s sovereign ratings from S&P is BBB-with a “stable” 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 and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

74. *Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect our business, results of operations and financial condition.*

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries

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

We are incorporated under the laws of India and all of our Directors and key management personnel reside in India. All of our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the “**CPC**”).

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced

in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

Among other jurisdictions, the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the CPC. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

76. *If inflation were to rise in India, we might not be able to increase the prices of our products 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 entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government 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.

RISKS RELATING TO THE OFFER AND THE EQUITY SHARES

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

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

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

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

79. *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 compliance with sectoral norms and certain other 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. Further, 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. 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.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

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 303.

80. *Any future issuance of Equity Shares 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, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales 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. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

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

82. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. The Income Tax Act levies taxes on long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while there is no tax charged on unrealized capital gains earned up to January 31, 2018 on equity shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions.

A securities transaction tax ("STT") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long term capital gains exceeding ₹ 100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018 continue to be tax exempt in such cases. Further, STT will be levied on and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹ 100,000. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Bill, 2021 was tabled before the Lok Sabha. The Finance Bill, 2021 has not received assent from the President of India. Further, the Ministry of Finance had notified the Finance Act, 2020 on March 27, 2020, pursuant to assent received from the President of India, and the Finance Act, 2020 had come into operation with effect from July 1, 2020. 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. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. 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.

The Finance Act 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.

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

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

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

84. *Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.*

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process. This price will be based on numerous factors, as described in the section "Basis for Offer Price" on page 104. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;

- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

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

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

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

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

87. *U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.*

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

Our Company believes it was not a PFIC for fiscal year ended March 31, 2020, and does not expect to be a PFIC for the current year or any future years. However, no assurance can be given that our Company will or

will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Offer of Equity Shares of face value of ₹1 each	Up to [●] Equity Shares, aggregating up to ₹8,000 million
<i>The Offer consists of:</i>	
Fresh Issue ⁽¹⁾ (2)	Up to [●] Equity Shares, aggregating up to ₹1,000 million
Offer for Sale ⁽³⁾	Up to [●] Equity Shares, aggregating up to ₹7,000 million
The Offer consists of:	
QIB Portion ⁽⁴⁾ (5)	Not more than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
(a) Mutual Fund Portion	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion ⁽⁵⁾	Not less than [●] Equity Shares
Retail Portion ⁽⁵⁾	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	111,785,130 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds of the Offer	See “Objects of the Offer” on page 97 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

⁽¹⁾ Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹750 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

⁽²⁾ The Fresh Issue has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated January 23, 2021 and January 25, 2021, respectively.

⁽³⁾ The Selling Shareholders have confirmed and approved their participation in the Offer for Sale as set out below:

S. No.	Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Aggregate proceeds from the sale of Equity Shares forming part of the Offer for Sale (in ₹ million)	Date of consent letter
Promoter Selling Shareholder				
1.	Anand Swarup Agarwal	Up to [●] Equity Shares	Up to 2,814	February 8, 2021
Other Selling Shareholders				
1.	Sanju Agarwal	Up to [●] Equity Shares	Up to 227	February 8, 2021
2.	Mahendra Swarup Agarwal	Up to [●] Equity Shares	Up to 734	February 8, 2021
3.	Virendra Swarup Agarwal	Up to [●] Equity Shares	Up to 290	February 8, 2021
4.	Pramod Swarup Agarwal	Up to [●] Equity Shares	Up to 329	February 8, 2021
5.	Vishwas Swarup Agarwal	Up to [●] Equity Shares	Up to 189	February 8, 2021
6.	Vishal Swarup Agarwal	Up to [●] Equity Shares	Up to 217	February 8, 2021
7.	Sudha Agarwal	Up to [●] Equity Shares	Up to 383	February 8, 2021
8.	Komal Swarup Agarwal	Up to [●] Equity Shares	Up to 27	February 8, 2021
9.	Saurabh Swarup Agarwal	Up to [●] Equity Shares	Up to 317	February 8, 2021

S. No.	Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Aggregate proceeds from the sale of Equity Shares forming part of the Offer for Sale (in ₹ million)	Date of consent letter
10.	Aparna Gupta	Up to [●] Equity Shares	Up to 194	February 8, 2021
11.	Kajaree Swarup Agarwal	Up to [●] Equity Shares	Up to 27	February 8, 2021
12.	Anurag Swarup Agarwal	Up to [●] Equity Shares	Up to 59	February 8, 2021
13.	Sneh Lata Agarwal	Up to [●] Equity Shares	Up to 416	February 8, 2021
14.	Asha Agarwal	Up to [●] Equity Shares	Up to 290	February 8, 2021
15.	Nupur Goyal	Up to [●] Equity Shares	Up to 194	February 8, 2021
16.	Shalini Pawan Agarwal	Up to [●] Equity Shares	Up to 99	February 8, 2021
17.	Sugandha Swarup Arora	Up to [●] Equity Shares	Up to 194	February 8, 2021

Each of the Selling Shareholders has confirmed that their respective Offered Shares have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI or have resulted from a bonus issue on Equity Shares held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus, and are eligible for being offered for sale in the Offer, in terms of Regulation 8 of the SEBI ICDR Regulations.

- (4) Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. For details, see “Offer Procedure” on page 291.
- (5) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of an under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, the Offered Shares shall be allocated proportionately prior to the Equity Shares offered pursuant to the Fresh Issue.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see “Offer Procedure” on page 291. For details of the terms of the Offer, see “Terms of the Offer” on page 284.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 179 and 234, respectively.

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RESTATED IND AS SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	919.52	781.31	950.01	697.60	687.86
Right of Use Assets	42.88	42.57	42.56	-	-
Capital work-in-progress	46.71	90.04	11.57	47.46	24.95
Intangible Assets	1.43	1.86	1.65	1.99	2.21
Intangible Assets under development	-	-	-	2.55	2.55
Financial Assets					
Investments	42.35	29.88	30.37	30.62	33.02
Other Financial Assets	48.69	40.17	48.84	37.85	38.47
Other Non-current Assets	5.99	25.36	20.62	19.92	9.02
Total Non current assets	1,107.57	1,011.19	1,105.62	837.99	798.08
Current Assets					
Inventories	589.91	485.79	385.73	355.28	192.22
Financial Assets					
Trade Receivables	2,248.74	1,827.07	1,831.74	1,783.13	1,247.79
Cash and Cash Equivalents	28.86	50.99	67.17	16.30	23.52
Other Balances with Banks	752.99	13.58	13.12	12.12	11.36
Other Financial Assets	3.30	6.54	6.75	9.68	11.66
Other Current Assets	195.75	121.56	246.89	157.87	118.99
Total Current Assets	3,819.55	2,505.53	2,551.40	2,334.38	1,605.54
Total Assets	4,927.12	3,516.72	3,657.02	3,172.37	2,403.62
EQUITY AND LIABILITIES					
EQUITY					
Equity Share Capital	31.83	31.83	31.83	31.83	31.83
Other Equity	3,259.51	2,104.80	2,536.56	1,838.37	1,407.32
Total Equity	3,291.34	2,136.63	2,568.39	1,870.20	1,439.15
LIABILITIES					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	91.38	95.80	104.44	112.64	67.56
Other Financial Liabilities	1.10	1.10	1.10	-	-
Provisions	-	-	5.39	3.66	2.47
Deferred Tax Liabilities (Net)	74.09	78.53	73.05	75.86	74.27
Total Non Current Liabilities	166.57	175.43	183.98	192.16	144.30
Current Liabilities					
Financial liabilities					
Borrowings	122.80	301.50	135.45	437.73	325.51
Trade Payables					
Total outstanding dues of micro enterprises and small enterprises	50.01	19.54	16.85	17.37	15.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,071.28	750.93	598.57	531.59	351.65
Other Financial Liabilities	51.75	95.78	82.36	92.34	91.75
Other Current Liabilities	63.44	17.82	62.54	27.52	29.17
Provisions	11.94	3.04	0.53	0.30	0.21
Current Tax Liabilities (Net)	97.99	16.05	8.35	3.16	6.16
Total Current Liabilities	1,469.21	1,204.66	904.65	1,110.01	820.17
Total Liabilities	1,635.78	1,380.09	1,088.63	1,302.17	964.47

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Total Equity and Liabilities	4,927.12	3,516.72	3,657.02	3,172.37	2,403.62

RESTATED IND AS SUMMARY STATEMENT OF PROFIT AND LOSS

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (Proforma)
Revenue from Operations	3,338.44	2,197.55	4,796.27	3,406.88	2,532.00
Other Income	33.99	28.86	101.00	53.54	26.57
Total Income (I)	3,372.43	2,226.41	4,897.27	3,460.42	2,558.57
EXPENSES					
Cost of Materials Consumed	1,697.41	1,259.50	2,566.06	1,945.34	1,198.45
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	(149.26)	(89.63)	(35.07)	(74.41)	46.72
Employee Benefits Expense	103.51	75.50	164.00	134.48	120.58
Finance Costs	16.98	27.09	52.18	55.76	43.63
Depreciation and Amortisation Expense	32.00	25.30	50.69	39.58	35.04
Other Expenses	693.73	565.87	1,165.72	748.67	612.33
Total Expenses (II)	2,394.37	1,863.63	3,963.58	2,849.42	2,056.75
Restated Profit Before Tax (I-II)	978.06	362.78	933.69	611.00	501.82
Tax Expense					
(1) Current Tax	251.37	90.23	230.95	170.00	160.00
(2) Deferred Tax	1.72	3.54	(2.09)	1.79	13.76
(3) Current taxes relating to earlier years	-	-	(3.16)	-	-
Restated Profit for the period	724.97	269.01	707.99	439.21	328.06
Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
- Remeasurement of defined benefit plans	(2.70)	(3.46)	(2.86)	(0.70)	(0.80)
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss	0.68	0.87	0.72	0.20	0.28
Total Other comprehensive income/(loss) for the year (Net of Tax)	(2.02)	(2.59)	(2.14)	(0.50)	(0.52)
Total Comprehensive income for the Year	722.95	266.42	705.85	438.71	327.54
Earnings per Equity Share of Rs.1 Each (*not annualised)					
Basic (in Rs)	6.51 *	2.41 *	6.35	3.94	2.94
Diluted (in Rs)	6.51 *	2.41 *	6.35	3.94	2.94

RESTATED IND AS SUMMARY STATEMENT OF CASHFLOW

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year Ended 31st March, 2020	Year Ended 31st March, 2019	Year Ended 31st March, 2018 (Proforma)
A Cash flow from operating activities:					
Net profit before tax	978.06	362.78	933.69	611.00	501.82
Adjustment to reconcile profit before tax to net cash flows					
Depreciation	32.00	25.30	50.67	39.39	34.86
Net unrealised foreign exchange loss/(gain)	(2.95)	(27.94)	(41.97)	(22.59)	(20.98)
Net gain on sale / fair valuation of investments through profit and loss	(9.41)	1.79	5.57	0.50	(2.31)
(Profit)/Loss on Sale of property, plant and equipment (net)	-	-	(0.19)	(0.50)	(0.25)
Dividend Income	(0.02)	(0.01)	(0.08)	(0.04)	(0.05)
Provision for Employee Benefits	12.02	2.36	4.32	0.60	(2.19)
Finance Lease	0.01	0.01	0.03	-	-
Interest received	(10.74)	(1.36)	(3.94)	(4.10)	(2.78)
Provision for Expected Credit Loss	4.71	2.47	3.47	2.15	0.67
Bad Debt	0.04	-	4.84	0.64	17.09
Interest expenses	16.98	27.09	52.18	55.77	38.53
Operating profit before working capital changes	1020.70	392.49	1008.59	682.82	564.49
Adjustment for					
Decrease/ (Increase) in other financial assets	3.57	0.83	(8.06)	2.61	(0.44)
Decrease/ (Increase) in non current assets	8.64	(8.90)	(3.42)	(10.60)	
Decrease/ (Increase) in trade receivables	(426.81)	(13.73)	(14.31)	(532.34)	(388.02)
Decrease/(Increase) in other current assets	51.12	36.31	(89.02)	(38.87)	10.93
Decrease/(Increase) in Inventories	(204.18)	(130.53)	(30.46)	(163.06)	46.51
(Decrease)/Increase in other financial liabilities	7.89	10.10	10.88	6.48	7.11
(Decrease)/Increase in trade payables	507.26	225.61	64.85	193.44	96.90
(Decrease)/ Increase in other current liabilities	0.91	(9.70)	35.01	(1.65)	(24.66)
(Decrease)/ Increase in provisions	(0.03)	0.17	0.35	0.38	3.96
Cash generated from operations	969.07	502.65	974.41	139.21	316.70
Direct taxes paid (net)	(161.80)	(87.65)	(222.91)	(173.00)	(156.34)
Net cash generated from / (used in) operating activities	807.27	415.00	751.50	(33.79)	160.36
B Cash generated from investing activities					
Purchase of property, plant and equipment , Intangible assets and Capital work in progress	(36.74)	(193.59)	(308.37)	(72.33)	(118.82)
Proceeds from sale of property, plant and equipment	-	-	0.04	0.73	0.29
Purchase of Investments	(12.03)	(4.42)	(21.06)	(22.76)	(31.40)
Sale proceeds of Investments	9.55	3.37	15.74	24.66	21.53
Increase in Term Deposits	(739.87)	(1.45)	(0.99)	(0.77)	(2.31)
Interest Income	10.74	1.36	3.94	4.10	2.78
Net cash flow from / (used in) from investing activities	(768.35)	(194.73)	(310.70)	(66.37)	(127.93)
C Cash generated from financing activities					

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year Ended 31st March, 2020	Year Ended 31st March, 2019	Year Ended 31st March, 2018 (Proforma)
Proceeds from Long term Borrowings	20.00	-	2.40	131.21	24.82
Repayment of Long term Borrowings	(71.57)	(22.40)	(30.48)	(92.18)	(98.23)
Proceeds/(repayment) from short-term borrowings (net)	(12.65)	(136.22)	(302.27)	112.21	97.85
Dividend paid (including corporate dividend tax)	-	-	(7.66)	(7.66)	(7.66)
Interest paid	(13.01)	(26.96)	(51.92)	(50.64)	(38.53)
Cash generated from / (used in) financing activities	(77.23)	(185.58)	(389.93)	92.94	(21.75)
D Net Increase/ (Decrease) in cash and cash equivalent (A+B+C)	(38.31)	34.69	50.87	(7.22)	10.68
Cash and Cash equivalents					
At the beginning of the year	67.17	16.30	16.30	23.52	12.84
At the end of the year	28.86	50.99	67.17	16.30	23.52

GENERAL INFORMATION

Our Company was originally incorporated as 'India Pesticides Private Limited', a private limited company at Bareilly, Uttar Pradesh under the Companies Act, 1956 on December 13, 1984 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh at Kanpur. Subsequently, pursuant to a deed of dissolution dated June 30, 1987, our Company acquired the entire rights and liabilities of 'India Pesticides' a partnership firm formed under the Indian Partnership Act, 1932, where our Company was one of the partners at the time of dissolution of the firm. With effect from March 31, 1993, our Company became a deemed public company under Section 43A(1A) of the Companies Act, 1956, the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Uttar Pradesh at Kanpur to that effect. Subsequently, pursuant to a special resolution passed by the Shareholders of our Company in its annual general meeting on September 30, 2002, our Company was converted into a public limited company. A fresh certificate of incorporation dated April 24, 2003 consequent upon conversion into a public limited company under the Companies Act, 1956 was issued to our Company by the Registrar of Companies, Uttar Pradesh and Uttaranchal at Kanpur. For further details in relation to change in name of our Company, see "*History and Certain Corporate Matters*" on page 157.

Registered Office

India Pesticides Limited

35-A, Civil Lines

Bareilly 243 001

Uttar Pradesh, India

CIN: U24112UP1984PLC006894

Company Registration Number: 006894

Corporate Office

India Pesticides Limited

Swarup Cold Storage Compound

Water Works Road

Aishbagh

Lucknow 226 004

Uttar Pradesh, India

Address of the RoC

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

Registrar of Companies, Uttar Pradesh at Kanpur

37/17, Westcott Building

The Mall

Kanpur 208 001

Uttar Pradesh, India

Company Secretary and Compliance Officer

Ajeet Pandey

Swarup Cold Storage Compound

Water Works Road

Aishbagh

Lucknow 226 004

Uttar Pradesh, India

Tel: +91 0522 2653602

E-mail: investor@indiapesticideslimited.com

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board of Directors of our Company comprises the following:

Name	Designation	DIN	Address
Anand Swarup Agarwal	Chairman and Non-executive Director	00777581	Swarup Bhawan, Water Works Road, Aishbagh, Lucknow 226 004, Uttar Pradesh, India

Name	Designation	DIN	Address
Rajendra Singh Sharma	Whole-time Director	02487797	E-2866, Rajajipuram, Avas Vikas Colony, Lucknow 226 017, Uttar Pradesh India
Rahul Arun Bagaria	Non-Executive Director	06611268	1301/1302, Gulmohar Heights, Gulmohar Cross Road No 8, JVPD Scheme, Juhu, Mumbai 400 049, Maharashtra, India
Adesh Kumar Gupta	Independent Director	00020403	701, Tagore Avenue, Tagore Road, Santacruz West, Mumbai 400 054, India
Mohan Vasant Tanksale	Independent Director	02971181	C-3105, 31 st Floor, Obero Exquisite, Goregaon (East), Mumbai 400 063, Maharashtra, India
Madhu Dikshit	Independent Director	08495360	C-95, Sector -M, Aliganj, S.O. Lucknow 226 024, Uttar Pradesh, India

For further details of our Board of Directors, see “*Our Management*” beginning on page 161.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI on 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”.

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, 2013 shall be filed with the RoC and a copy of the Prospectus shall be filed under Section 26 of the Companies Act, 2013 with the RoC.

Book Running Lead Managers

Axis Capital Limited

1st Floor, Axis House,
C-2 Wadia International Centre,
P.B. Marg, Worli,
Mumbai 400025
Maharashtra, India

Tel: + 91 22 4325 2183

E-mail: ipl.ipo@axiscap.in

Investor grievance e-mail: complaints@axiscap.in

Website: <https://www.axiscapital.co.in/>

Contact Person: Mayuri Arya

SEBI Registration No: INM000012029

JM Financial Limited

7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi,
Mumbai 400025

Tel: +91 22 6630 3030

E-mail: indiapesticides.ipo@jmfl.com

Investor grievance e-mail: grievance.ibd@jmfl.com

Website: www.jmfl.com

Contact Person: Prachee Dhuri

SEBI Registration No: INM000010361

Syndicate Members

[●]

Legal Counsel to the Company and the Selling Shareholders as to Indian Law

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025, Karnataka
India

Tel: +91 80 6792 2000

Legal Counsel to the BRLMs as to Indian Law

S&R Associates

64 Okhla Industrial Estate Phase III
New Delhi 110 020
Delhi, India
Tel: +91 11 4069 8000

International Legal Counsel to the BRLMs

Squire Patton Boggs (MEA) LLP

Dubai International Financial Centre (DIFC)
Burj Daman Office Tower, Level 10
Dubai 111713
United Arab Emirates
Tel: +971 4447 8700

Advisor to the Offer

Bagaria & Company Private Limited

701 Stanford,
Junction of S V Road & C D Barfiwala Marg,
Andheri West, Mumbai 400 058
Maharashtra, India
Tel: +91 22 6250 5600

Statutory Auditors to our Company

Lodha & Co.

6, Karim Chambers, 40, A,
Doshi Marg, Hamam Street,
Mumbai 400001
Maharashtra, India
Tel: +91 22 2265 0216
Email: mumbai@lodhaco.com
Firm Registration Number: 301051E
Peer Review Certificate Number: 010842

Changes in auditors

Except as disclosed below, there have been no changes in our statutory auditors during the last three years:

Particulars	Date of change	Reason for change
Lodha & Co. 6, Karim Chambers, 40, A Doshi Marg, Hamam Street Mumbai 400 001 Maharashtra, India Email: mumbai@lodhaco.com Peer Review Certificate Number: 010842 Firm Registration Number: 301051E	December 21, 2020	Re-appointment as Statutory Auditor for five years commencing from the conclusion of the AGM held on December 21, 2020 until the conclusion of the AGM to be held for Financial Year 2024-25.
Lodha & Co. 6, Karim Chambers, 40, A Doshi Marg, Hamam Street Mumbai 400 001 Maharashtra, India Email: mumbai@lodhaco.com Peer Review Certificate Number: 010842 Firm Registration Number: 301051E	August 13, 2020	Appointment as Statutory Auditor for Financial Year 2019-20 until the next AGM of the Company

Particulars	Date of change	Reason for change
RK Chari & Company Opposite Bansal Plaza Seth Ladhulal Jain Marg, Daliganj Lucknow 226 020 Uttar Pradesh, India Email: samnco2013@gmail.com Firm Registration Number: 000481C	July 14, 2020	Resignation due to Covid-19 pandemic
RK Chari & Company Opposite Bansal Plaza Seth Ladhulal Jain Marg, Daliganj Lucknow 226 020 Uttar Pradesh, India Email: samnco2013@gmail.com Firm Registration Number: 000481C	September 30, 2019	Re-appointment as statutory auditor of the Company for a term of five years commencing from the conclusion of the AGM held on September 30, 2019 until the conclusion of the AGM to be held for Financial Year 2023-24

Registrar to the Offer

KFin Technologies Private Limited

Selenium Tower - B, Plot No. 31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana, India

Tel: +91 40 6716 2222

E-mail: ipl.ipo@kfintech.com

Investor grievance email: einward.ris@fintech.com

Website: www.kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

Bankers to the Offer

Escrow Collection Bank(s)

[•]

Refund Bank(s)

[•]

Public Offer Bank(s)

[•]

Sponsor Bank

[•]

Bankers to the Company

Bank of India 278/81, Chandra Nagari Aishbagh Road Lucknow 226 004 Tel: +91 8189001651/ +91 8189001652 E-mail: aishbagh.lucknow@bankofindia.co.in Website: www.bankofindia.co.in	State Bank of India Commercial Branch Lucknow 6A Way Road, Gokhle Marg UP Lucknow 226 001 Tel: + 91 522 2205548 E-mail: sbi.04166@sbi.co.in Website: www.onlinesbi.com

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated 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 BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

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

Experts

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

Our Company has received written consent dated February 8, 2021 from Lodha & Co., Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated February 8, 2021 on our Restated Financial Information; and (ii) their report dated February 8, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated December 9, 2020 from Amir Husain Rizvi, Chartered Engineer, as chartered engineer to include his name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated December 9, 2020, on the manufacturing capacity at both the Company’s manufacturing facilities and its utilization at both the manufacturing facilities, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Monitoring Agency

As on the date of this Draft Red Herring Prospectus, the size of the Fresh Issue does not exceed ₹1,000 million and consequently, in accordance with Regulation 41 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency. However, in the event the size of the Fresh Issue exceeds ₹1,000 million, subsequent to the filing of this Draft Red Herring Prospectus and prior to the filing of the Red Herring Prospectus with the RoC, our Company will appoint a monitoring agency in accordance with Regulation 41 of SEBI ICDR Regulations.

Appraising Entity

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

Credit Rating

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

IPO Grading

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

Debenture Trustees

As this is an offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se allocation of responsibilities

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Axis and JM Financial	Axis
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 and JM Financial	Axis
3.	Drafting and approval of all statutory advertisements	Axis and JM Financial	Axis
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 and JM Financial	JM Financial
5.	Appointment of intermediaries (including coordination of all agreements)	Axis and JM Financial	Axis
6.	Preparation of road show presentation and FAQs for the road show team	Axis and JM Financial	JM Financial

Sr. No.	Activity	Responsibility	Co-ordination
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 and JM Financial	JM Financial
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 and JM Financial	Axis
9.	Conduct non-institutional marketing of the Offer	Axis and JM Financial	Axis
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	Axis and JM Financial	JM Financial
11.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading	Axis and JM Financial	JM Financial
12.	Deposit of 1% security deposit with the designated stock exchange	Axis and JM Financial	Axis
13.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholders	Axis and JM Financial	Axis
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 of Selling Shareholders, 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 and JM Financial	JM Financial

Book Building Process

Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, and minimum Bid Lot size will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Uttar Pradesh, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding, see “Offer Structure” and “Offer Procedure” on pages 288 and 291, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure” on page 291.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

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

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

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

(In ₹, except share data)			
Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A.	AUTHORISED SHARE CAPITAL		
	150,000,000 Equity Shares of ₹1 each ⁽¹⁾	150,000,000	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	111,785,130 Equity Shares of ₹1 each	111,785,130	-
C.	PRESENT OFFER		
	Offer of up to [●] Equity Shares ⁽²⁾⁽³⁾	[●]	Up to ₹8,000 million
	<i>Of which</i>		
	Fresh Issue of up to [●] Equity Shares ⁽²⁾⁽³⁾	[●]	Up to ₹1,000 million
	Offer for Sale of up to [●] Equity Shares by the Selling Shareholders ⁽³⁾	[●]	Up to ₹7,000 million
D.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER*		
	[●] Equity Shares of face value of ₹1 each	[●]	[●]
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Offer		20,727,876
	After the Offer		[●]

* To be included upon finalisation of Offer Price

- ⁽¹⁾ For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see “History and Certain Corporate Matters – Amendments to the Memorandum of Association” on page 157
- ⁽²⁾ Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹750 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR
- ⁽³⁾ The Fresh Issue has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated January 23, 2021 and January 25, 2021, respectively
- ⁽⁴⁾ Each Selling Shareholder confirms that its respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, is eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. Each of the Selling Shareholders have confirmed and authorised their respective participation in the Offer for Sale. For details on the authorization by each Selling Shareholder in relation to the Offered Shares, see “The Offer” on page 69

Notes to the Capital Structure

1. Share Capital History of our Company

(i) Equity share capital

The history of the equity share capital of our Company is set forth in the table below:

Date of allotment [#]	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
December 13, 1984	5	100	100	Cash	Initial subscription to MoA ⁽¹⁾	5	500

Date of allotment [#]	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
December 16, 1985	250	100	100	Cash	Further issue ⁽²⁾	255	25,500
December 30, 1986	20	100	100	Cash	Further issue ⁽³⁾	275	27,500
July 30, 1987	4,250	100	100	Cash	Further issue ⁽⁴⁾	4,525	452,500
March 30, 1990	5,230	100	100	Cash	Further issue ⁽⁵⁾	9,755	975,500
June 21, 1993	6,000	100	100	Cash	Further issue ⁽⁶⁾	15,755	1,575,500
August 3, 1993	445	100	100	Cash	Further issue ⁽⁷⁾	16,200	1,620,000
September 15, 1995	48,600	100	-	N/A	Bonus issue in the ratio of three bonus equity shares for every one equity share held in our Company ⁽⁸⁾	64,800	6,480,000
March 19, 1999	10	100	100	Cash	Further issue ⁽⁹⁾	64,810	6,481,000
September 30, 2003	129,620	100	-	N/A	Bonus issue in the ratio of two bonus equity shares for every one equity share held in our Company ⁽¹⁰⁾	194,430	19,443,000
January 7, 2005	97,215	100	-	N/A	Bonus issue in the ratio of one bonus equity share for every two equity shares held in our Company ⁽¹¹⁾	291,645	29,164,500
January 18, 2005	16,930	100	-	Other than cash	Allotment on account of conversion of overdue interest on facility availed from allottee ⁽¹²⁾	308,575	30,857,500
March 31, 2007	8,000	100	800	Cash	Further issue ⁽¹³⁾	316,575	31,657,500
January 4, 2016	1,750	100	1,805	Cash	Private Placement ⁽¹⁴⁾	318,325	31,832,500
December 28, 2020	Sub-division of equity shares of face value of ₹100 each to Equity Shares of face value of ₹1 each					31,832,500	31,832,500
January 22, 2021	79,581,250	1	-	N/A	Bonus issue in the ratio of five Equity Shares for every two Equity Shares held in our Company ⁽¹⁵⁾	111,413,750	111,413,750
January 28, 2021	371,380	1	33.70	Cash	Private Placement ⁽¹⁶⁾	111,785,130	111,785,130

- (1) Allotment of one equity share each to Anand Swarup Agarwal, Asha Agarwal, Sneh Lata Agarwal, Sudha Agarwal and Lajjawati Devi
- (2) Allotment of 50 equity shares each to Anand Swarup Agarwal, Asha Agarwal, Sneh Lata Agarwal, Sudha Agarwal and Lajjawati Devi
- (3) Allotment of 10 equity shares each to Asha Gaur and Sharat Chandra Rastogi
- (4) Allotment of 1,400 equity shares to Lajjawati Devi, 650 equity shares to Anand Swarup Agarwal, 500 equity shares to Sudha Agarwal, 350 equity shares to Vishwas Swarup Agarwal, 300 equity shares each to Saurabh Swarup Agarwal and Vishal Swarup Agarwal, 250 equity shares each to Shalini Pawan Agarwal, Sugandha Swarup Arora and Gaurav Swarup Agarwal
- (5) Allotment of 2,940 equity shares to Anand Swarup Agarwal, 630 equity shares to Mahendra Swarup Agarwal, 500 equity shares to Gaurav Swarup Agarwal, 330 equity shares to Lajjawati Devi, 150 equity shares each to Anurag Swarup Agarwal and Indu Agarwal, 140 equity shares to Virendra Swarup Agarwal, 100 equity shares each to Aparna Gupta, Nupur Goyal and Vishwas Swarup Agarwal and 90 equity shares to Vishal Swarup Agarwal
- (6) Allotment of 1,250 equity shares to Virendra Swarup Agarwal, 1,220 equity shares to Asha Agarwal, 1,000 equity shares each to Pramod Swarup Agarwal and Sneh Lata Agarwal, 500 equity shares to Saurabh Swarup Agarwal, 400 equity shares each to Sudha Agarwal and Mahendra Swarup Agarwal and 230 equity shares to Gaurav Swarup Agarwal
- (7) Allotment of 265 equity shares to Sanju Agarwal, 60 equity shares to Vishal Swarup Agarwal and 40 equity shares each to Pramod Swarup Agarwal, Virendra Swarup Agarwal and Mahendra Swarup Agarwal
- (8) Allotment of 10,983 equity shares to Anand Swarup Agarwal, 5,553 equity shares to Lajjawati Devi, 4,290 equity shares to Virendra Swarup Agarwal, 3,783 equity shares to Asha Agarwal, 3,210 equity shares to Mahendra Swarup Agarwal, 3,153 equity shares to Sneh Lata Agarwal, 3,120 equity shares to Pramod Swarup Agarwal, 2,940 equity shares to Gaurav Swarup Agarwal, 2,823 equity shares to Sudha Agarwal, 2,400 equity shares to Saurabh Swarup Agarwal, 1,350 equity shares each to Vishwas Swarup Agarwal and Vishal Swarup Agarwal, 1,095 equity shares to Sanju Agarwal, 750 equity shares each to Shalini Pawan Agarwal and Sugandha Swarup Arora, 450 equity shares to Anurag Swarup Agarwal and 300 equity shares each to Aparna Gupta and Nupur Goyal
- (9) Allotment of 10 equity shares to Ashok Kumar Gupta
- (10) Allotment of 29,288 equity shares to Anand Swarup Agarwal, 14,808 equity shares to Lajjawati Devi, 11,440 equity shares to Virendra Swarup Agarwal, 10,088 equity shares to Asha Agarwal, 8,560 equity shares to Mahendra Swarup Agarwal, 8,408 equity shares to Sneh Lata Agarwal, 8,320 equity shares to Pramod Swarup Agarwal, 7,840 equity shares to Gaurav Swarup Agarwal, 7,528 equity shares to Sudha Agarwal, 6,400 equity shares to Saurabh Swarup Agarwal, 3,600 equity shares each to Vishwas Swarup Agarwal and Vishal Swarup Agarwal, 2,920 equity shares to Sanju Agarwal, 2,000 equity shares each to Shalini Pawan Agarwal and Sugandha Swarup Arora, 1,200 equity shares to Anurag Swarup Agarwal, 800 equity shares each to Aparna Gupta and Nupur Goyal and 20 equity shares to Ashok Kumar Gupta
- (11) Allotment of 21,966 equity shares to Anand Swarup Agarwal, 11,106 equity shares to Lajjawati Devi, 8,580 equity shares to Virendra Swarup Agarwal, 7,566 equity shares to Asha Agarwal, 6,420 equity shares to Mahendra Swarup Agarwal, 6,306 equity shares to Sneh Lata Agarwal, 6,240 equity shares to Pramod Swarup Agarwal, 5,880 equity shares to Gaurav Swarup Agarwal, 5,646 equity shares to Sudha Agarwal, 4,800 equity shares to Saurabh Swarup Agarwal, 2,700 equity shares each to Vishwas Swarup Agarwal and Vishal Swarup Agarwal, 2,190 equity shares to Sanju Agarwal, 1,500 equity shares each to Shalini Pawan Agarwal and Sugandha Swarup Arora, 900 equity shares to Anurag Swarup Agarwal, 600 equity shares each to Aparna Gupta and Nupur Goyal, and 15 equity shares to Ashok Kumar Gupta
- (12) Allotment of 16,930 equity shares to Industrial Development Bank of India towards conversion of overdue interest on the facility availed by our Company
- (13) Allotment of 6,750 equity shares to Mohan Lal Fatehchand Bhatia and 1,250 equity shares to Reliance Poly Crete Limited
- (14) Allotment of 1,750 equity shares to Sanju Agarwal
- (15) Allotment of 31,992,750 Equity Shares to Anand Swarup Agarwal, 8,343,750 Equity Shares to Mahendra Swarup Agarwal, 4,729,500 Equity Shares to Sneh Lata Agarwal, 4,359,500 Equity Shares to Sudha Agarwal, 3,736,250 Equity Shares to Pramod Swarup Agarwal, 3,600,000 Equity Shares to Saurabh Swarup Agarwal, 3,301,250 Equity Shares to Virendra Swarup Agarwal, 3,300,750 Equity Shares to Asha Agarwal, 2,580,000 Equity Shares to Sanju Agarwal, 2,462,500 Equity Shares to Vishal Swarup Agarwal, 2,200,000 Equity Shares to each Sugandha Swarup Arora, Nupur Goyal and Aparna Gupta, 2,150,000 Equity Shares to Vishwas Swarup Agarwal, 1,125,000

Equity Shares to Shalini Pawan Agarwal, 675,000 Equity Shares to Anurag Swarup Agarwal, and 312,500 Equity Shares to each Komal Swarup Agarwal and Kajaree Swarup Agarwal

- (16) Allotment of 185,690 Equity Shares to Arun Kishanlal Bagaria and 185,690 Equity Shares to Madhu Arun Kumar Bagaria

Certain corporate secretarial records of our Company are not traceable or have discrepancies. For further details, see “Risk Factors - Certain of our corporate records and filings with the RoC are not traceable or have discrepancies. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 58

(ii) **Preference Share capital**

As of the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference share capital.

2. **Issue of Equity Shares at a price lower than the Offer Price in the last year**

Except as stated below, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Number of equity shares allotted	Face Value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason for allotment	Part of Promoter Group
January 28,, 2021	371,380	1	33.70	Cash	Private Placement ⁽¹⁾	None of the allottees form part of the Promoter Group.

⁽¹⁾ Allotment of 185,690 Equity Shares to Arun Kishanlal Bagaria and 185,690 Equity Shares to Madhu Arun Kumar Bagaria

3. **Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation reserves**

- (i) Our Company has not issued any equity shares out of revaluation reserves since its incorporation.
- (ii) Except as stated below, our Company has not issued any equity shares for consideration other than cash or by way of bonus issue, as on the date of this Draft Red Herring Prospectus:

Date of allotment	Number of equity shares allotted	Face Value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
September 15, 1995	48,600	100	-	Bonus issue in the ratio of three bonus equity shares for every one equity share held in our Company ⁽¹⁾	-
September 30, 2003	129,620	100	-	Bonus issue in the ratio of two bonus equity shares for every one equity share held in our Company ⁽²⁾	-
January 7, 2005	97,215	100	-	Bonus issue in the ratio of one bonus equity share for every two equity shares held in our Company ⁽³⁾	-
January 18, 2005	16,930	100	-	Allotment on account of conversion of overdue interest on facility availed from allottee ⁽⁴⁾	-
January 22, 2021	79,581,250	1	-	Bonus issue in the ratio of five Equity Shares for every two Equity Shares held in our Company ⁽⁵⁾	-

⁽¹⁾ Allotment of 10,983 equity shares to Anand Swarup Agarwal, 5,553 equity shares to Lajjawati Devi, 4,290 equity shares to Virendra Swarup Agarwal, 3,783 equity shares to Asha Agarwal, 3,210 equity shares to Mahendra Swarup Agarwal, 3,153 equity shares to Sneha Lata Agarwal, 3,120 equity shares to Pramod Swarup Agarwal,

2,940 equity shares to Gaurav Swarup Agarwal, 2,823 equity shares to Sudha Agarwal, 2,400 equity shares to Saurabh Swarup Agarwal, 1,350 equity shares each to Vishwas Swarup Agarwal and Vishal Swarup Agarwal, 1,095 equity shares to Sanju Agarwal, 750 equity shares each to Shalini Pawan Agarwal and Sugandha Swarup Arora, 450 equity shares to Anurag Swarup Agarwal and 300 equity shares each to Aparna Gupta and Nupur Goyal

- (2) Allotment of 29,288 equity shares to Anand Swarup Agarwal, 14,808 equity shares to Lajjawati Devi, 11,440 equity shares to Virendra Swarup Agarwal, 10,088 equity shares to Asha Agarwal, 8,560 equity shares to Mahendra Swarup Agarwal, 8,408 equity shares to Sneha Lata Agarwal, 8,320 equity shares to Pramod Swarup Agarwal, 7,840 equity shares to Gaurav Swarup Agarwal, 7,528 equity shares to Sudha Agarwal, 6,400 equity shares to Saurabh Swarup Agarwal, 3,600 equity shares each to Vishwas Swarup Agarwal and Vishal Swarup Agarwal, 2,920 equity shares to Sanju Agarwal, 2,000 equity shares each to Shalini Pawan Agarwal and Sugandha Swarup Arora, 1,200 equity shares to Anurag Swarup Agarwal, 800 equity shares each to Aparna Gupta and Nupur Goyal and 20 equity shares to Ashok Kumar Gupta
- (3) Allotment of 21,966 equity shares to Anand Swarup Agarwal, 11,106 equity shares to Lajjawati Devi, 8,580 equity shares to Virendra Swarup Agarwal, 7,566 equity shares to Asha Agarwal, 6,420 equity shares to Mahendra Swarup Agarwal, 6,306 equity shares to Sneha Lata Agarwal, 6,240 equity shares to Pramod Swarup Agarwal, 5,880 equity shares to Gaurav Swarup Agarwal, 5,646 equity shares to Sudha Agarwal, 4,800 equity shares to Saurabh Swarup Agarwal, 2,700 equity shares each to Vishwas Swarup Agarwal and Vishal Swarup Agarwal, 2,190 equity shares to Sanju Agarwal, 1,500 equity shares each to Shalini Pawan Agarwal and Sugandha Swarup Arora, 900 equity shares to Anurag Swarup Agarwal, 600 equity shares each to Aparna Gupta and Nupur Goyal, and 15 equity shares to Ashok Kumar Gupta
- (4) Allotment of 16,930 equity shares to Industrial Development Bank of India towards overdue interest on financial assistance provided to our Company
- (5) Allotment of 31,992,750 Equity Shares to Anand Swarup Agarwal, 8,343,750 Equity Shares to Mahendra Swarup Agarwal, 4,729,500 Equity Shares to Sneha Lata Agarwal, 4,359,500 Equity Shares to Sudha Agarwal, 3,736,250 Equity Shares to Pramod Swarup Agarwal, 3,600,000 Equity Shares to Saurabh Swarup Agarwal, 3,301,250 Equity Shares to Virendra Swarup Agarwal, 3,300,750 Equity Shares to Asha Agarwal, 2,580,000 Equity Shares to Sanju Agarwal, 2,462,500 Equity Shares to Vishal Swarup Agarwal, 2,200,000 Equity Shares to each Sugandha Swarup Arora, Nupur Goyal and Aparna Gupta, 2,150,000 Equity Shares to Vishwas Swarup Agarwal, 1,125,000 Equity Shares to Shalini Pawan Agarwal, 675,000 Equity Shares to Anurag Swarup Agarwal, and 312,500 Equity Shares to each Komal Swarup Agarwal and Kajaree Swarup Agarwal

For further details, please see “- *Share Capital History of our Company*” and “*History and Certain Corporate Matters*” on pages 85 and 157, respectively.

4. **Issue of Equity Shares pursuant to schemes of arrangement**

Our Company has not allotted any Equity Shares in terms of any scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

5. **Shareholding Pattern of our Company**

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

Category (I)	Category of sharehold er (II)	Number of shareholde rs (III)	Number of fully paid-up Equity Shares held (IV)	Numb er of Partly paid- up Equity Shares held (V)	Number of shares underlyi ng Deposito ry Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI) (VIII) As a % of (A+B+C2)	Sharehold ing 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 Underlyin g Outstandi ng convertibl e securities (including Warrants) (X)	Sharehold ing, 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 dematerialis ed form (XIV)
								Number of Voting Rights		Total as a % of (A+B + C)			Numb er (a)	As a % of total Shar es held (b)	Numb er (a)	As a % of total Shar es held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group	11	92,424,517	-	-	92,424,517	82.68	92,424,517	92,424,517	82.68	-	-	-	-	-	-	92,424,517
(B)	Public	13	19,360,613	-	-	19,360,613	17.32	19,360,613	19,360,613	17.32	-	-	-	-	-	-	19,360,613
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlyin g depositor y receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	24	111,785,130	-	-	111,785,130	100.00	111,785,130	111,785,130	100.00	-	-	-	-	-	-	111,785,130

6. Details of equity shareholding of the major Shareholders of our Company

- (i) The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares [^]	Percentage of the pre- Offer Equity Share capital (%)
1.	Anand Swarup Agarwal*	44,789,850	40.07
2.	PSA Family Trust ⁽¹⁾	12,422,242	11.11
3.	Mahendra Swarup Agarwal*	11,069,375	9.90
4.	ASA Family Trust ⁽²⁾	7,717,117	6.90
5.	MSA Family Trust ⁽³⁾	5,695,875	5.10
6.	Virendra Swarup Agarwal*	4,621,750	4.13
7.	Asha Agarwal*	4,621,050	4.13
8.	Sugandha Swarup Agarwal*	3,080,000	2.76
9.	Nupur Goyal*	3,080,000	2.76
10.	VSA Family Trust ⁽⁴⁾	2,200,000	1.97
11.	Sneh Lata Agarwal*	1,891,800	1.69
12.	Sudha Agarwal*	1,743,800	1.56
13.	Shalini Pawan Agarwal*	1,492,500	1.34
14.	Saurabh Swarup Agarwal*	1,440,000	1.29
15.	Pramod Swarup Agarwal*	1,220,508	1.09
	Total	107,085,867	95.80

[^] Based on BENPOS statements and demat account statements, as applicable

*Also participating in the Offer for Sale as a Selling Shareholder

⁽¹⁾ Acting through its trustees, Anand Swarup Agarwal and Pramod Swarup Agarwal. For further details in relation to the PSA Family Trust, see "Our Promoters and Promoter Group – Our Promoter Group" on page 174

⁽²⁾ Acting through its trustee, Anand Swarup Agarwal. For further details in relation to the ASA Family Trust, see "Our Promoters and Promoter Group – Details of our Promoters" on page 173

⁽³⁾ Acting through its trustees, Anand Swarup Agarwal and Mahendra Swarup Agarwal. For further details in relation to the MSA Family Trust, see "Our Promoters and Promoter Group – Our Promoter Group" on page 174

⁽⁴⁾ Acting through its trustees, Anand Swarup Agarwal and Virendra Swarup Agarwal. For further details in relation to the VSA Family Trust, see "Our Promoters and Promoter Group – Our Promoter Group" on page 174

- (ii) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Anand Swarup Agarwal*	44,789,850	40.20
2.	Mahendra Swarup Agarwal*	11,681,250	10.48
3.	Snehlata Agarwal*	6,621,300	5.94
4.	Sudha Agarwal*	6,103,300	5.48
5.	Pramod Swarup Agarwal*	5,230,750	4.69
6.	Saurabh Swarup Agarwal*	5,040,000	4.52
7.	Virendra Swarup Agarwal*	4,621,750	4.15
8.	Asha Agarwal*	4,621,050	4.15
9.	Sanju Agarwal*	3,612,000	3.24
10.	Vishal Swarup Agarwal *	3,447,500	3.09
11.	Aparna Gupta*	3,080,000	2.76
12.	Nupur Goyal*	3,080,000	2.76
13.	Sugandha Swarup Arora*	3,080,000	2.76
14.	Vishwas Swarup Agarwal*	3,010,000	2.70
15.	Shalini Pawan Agarwal*	1,575,000	1.41
	Total	109,593,750	98.37

* Also participating in the Offer for Sale as Selling Shareholders

- (iii) The Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of equity shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Anand Swarup Agarwal*	127,971	40.20
2.	Mahendra Swarup Agarwal*	33,375	10.48
3.	Sneh Lata Agarwal*	18,918	5.94
4.	Sudha Agarwal*	17,438	5.48
5.	Pramod Swarup Agarwal*	14,945	4.69
6.	Saurabh Swarup Agarwal*	14,400	4.52
7.	Virendra Swarup Agarwal*	13,205	4.15
8.	Asha Agarwal*	13,203	4.15
9.	Sanju Agarwal*	10,320	3.24
10.	Vishal Swarup Agarwal*	9,850	3.09
11.	Aparna Gupta*	8,800	2.76
12.	Nupur Goyal*	8,800	2.76
13.	Sugandha Swarup Arora *	8,800	2.76
14.	Vishwas Swarup Agarwal*	8,600	2.70
15.	Shalini Pawan Agarwal*	4,500	1.41
	Total	313,125	98.33

* Also participating in the Offer for Sale as Selling Shareholders

- (iv) The Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of equity shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Anand Swarup Agarwal*	127,971	40.20
2.	Mahendra Swarup Agarwal*	33,375	10.48
3.	Sneh Lata Agarwal*	18,918	5.94
4.	Sudha Agarwal*	17,438	5.48
5.	Pramod Swarup Agarwal*	14,945	4.69
6.	Saurabh Swarup Agarwal*	14,400	4.52
7.	Virendra Swarup Agarwal*	13,205	4.15
8.	Asha Agarwal*	13,203	4.15
9.	Sanju Agarwal*	10,320	3.24
10.	Vishal Swarup Agarwal*	9,850	3.09
11.	Aparna Gupta*	8,800	2.76
12.	Nupur Goyal*	8,800	2.76
13.	Sugandha Swarup Arora *	8,800	2.76
14.	Vishwas Swarup Agarwal*	8,600	2.70
15.	Shalini Pawan Agarwal*	4,500	1.41
	Total	313,125	98.33

* Also participating in the Offer for Sale as Selling Shareholders

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

- a. As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group hold an aggregate of 92,424,517 Equity Shares, aggregating to 82.68% of the pre- Offer issued, subscribed and paid-up Equity Share capital of our Company.

Sr. No.	Name	Number of Equity Shares	Percentage Equity Share Capital (%)
Promoters			
1.	Anand Swarup Agarwal*	44,789,850	40.07
2.	ASA Family Trust ⁽¹⁾	7,717,117	6.90
	Sub-total (A)	52,506,967	46.97
Promoter Group			
1.	PSA Family Trust ⁽²⁾	12,422,242	11.11
2.	Mahendra Swarup Agarwal*	11,069,375	9.90
3.	MSA Family Trust ⁽³⁾	5,695,875	5.10

Sr. No.	Name	Number of Equity Shares	Percentage Equity Share Capital (%)
4.	Virendra Swarup Agarwal*	4,621,750	4.13
5.	VSA Family Trust ⁽⁴⁾	2,200,000	1.97
6.	Pramod Swarup Agarwal*	1,220,508	1.09
7.	Vishal Swarup Agarwal*	985,000	0.88
8.	Vishwas Swarup Agarwal*	860,000	0.77
9.	Sanju Agarwal*	842,800	0.75
	Sub-total (B)	41,042,550	36.71
	Total (A+B)	92,424,517	82.68

* Also participating in the Offer for Sale as a Selling Shareholder

⁽¹⁾ Acting through its trustee, Anand Swarup Agarwal. For further details in relation to the ASA Family Trust, see “Our Promoters and Promoter Group – Details of our Promoters” on page 173

⁽²⁾ Acting through its trustees, Anand Swarup Agarwal and Pramod Swarup Agarwal. For further details in relation to the PSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174

⁽³⁾ Acting through its trustees, Anand Swarup Agarwal and Mahendra Swarup Agarwal. For further details in relation to the MSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174

⁽⁴⁾ Acting through its trustees, Anand Swarup Agarwal and Virendra Swarup Agarwal. For further details in relation to the VSA Family Trust, see “Our Promoters and Promoter Group – Our Promoter Group” on page 174

For further details, see “Our Promoters and Promoter Group” on page 173.

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

The details regarding the build-up of the shareholding of our Promoters in our Company since incorporation is set forth in the table below:

Date of transfer/ allotment of equity shares/ date when fully-paid up	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre-Offer capital (%) [^]	Percentage of the post-Offer capital (%) [^]
Anand Swarup Agarwal							
December 13, 1984	1	Initial subscription to MoA	Cash	100	100	-*	[●]
December 16, 1985	50	Further issue of equity shares	Cash	100	100	-*	[●]
March 30, 1987	10	Transfer ⁽¹⁾	Cash	100	100	-*	[●]
March 30, 1987	10	Transfer ⁽²⁾	Cash	100	100	-*	[●]
July 30, 1987	650	Further issue of equity shares	Cash	100	100	-*	[●]
March 30, 1990	2,940	Further issue of equity shares	Cash	100	100	-*	[●]
September 15, 1995	10,983	Bonus issue in the ratio of three bonus equity shares for every one equity share held in our Company	N/A	100	-	0.01	[●]
September 30, 2003	29,288	Bonus issue in the ratio of two bonus equity shares for every one equity share held in our Company	N/A	100	-	0.03	[●]

Date of transfer/ allotment of equity shares/ date when fully- paid up	Number of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre- Offer capital (%)^	Percentage of the post- Offer capital (%)^
January 7, 2005	21,966	Bonus issue in the ratio of one bonus equity share for every two equity shares held in our Company	N/A	100	-	0.02	[●]
March 31, 2009	3,775	Gift ⁽³⁾	N/A	100	-	-*	[●]
March 31, 2009	3,775	Gift ⁽⁴⁾	N/A	100	-	-*	[●]
March 31, 2009	33,318	Gift ⁽⁵⁾	N/A	100	-	0.03	[●]
March 31, 2009	3,775	Gift ⁽⁶⁾	N/A	100	-	-*	[●]
February 15, 2010	16,930	Transfer ⁽⁷⁾	Cash	100	60	0.02	[●]
April 5, 2011	500	Transfer ⁽⁸⁾	Cash	100	100	-*	[●]
December 28, 2020	Sub-division of equity shares of face value of ₹100 each to Equity Shares of face value of ₹1 each						
January 22, 2021	31,992,750	Bonus issue in the ratio of five Equity Shares for every two Equity Shares held in our Company ⁽⁹⁾	N/A	1	-	28.62	[●]
ASA Family Trust							
February 5, 2021	7,717,117	Gift ⁽¹⁰⁾	N/A	1	-	6.90	[●]
Total	52,506,967					46.97	[●]

^Adjusted for subdivision of face value of Equity Shares, as applicable

* Negligible

⁽¹⁾ Transfer of equity shares from Asha Gaur to Anand Swarup Agarwal

⁽²⁾ Transfer of equity shares from Sharat Chandra Rastogi to Anand Swarup Agarwal

⁽³⁾ Gift of 3,775 equity shares from Virendra Swarup Agarwal to Anand Swarup Agarwal

⁽⁴⁾ Gift of 3,775 equity shares from Mahendra Swarup Agarwal to Anand Swarup Agarwal

⁽⁵⁾ Gift of 33,318 equity shares from Lajjawati Devi to Anand Swarup Agarwal

⁽⁶⁾ Gift of 3,775 equity shares from Pramod Swarup Agarwal to Anand Swarup Agarwal

⁽⁷⁾ Transfer of 16,930 equity shares from Industrial Development Bank of India to Anand Swarup Agarwal

⁽⁸⁾ Transfer of 500 equity shares from Mohan Lal Fatechand Bhatia to Anand Swarup Agarwal

⁽⁹⁾ Allotment of 31,992,750 Equity Shares to Anand Swarup Agarwal

⁽¹⁰⁾ Gift of 2,150,000 Equity Shares from Vishwas Swarup Agarwal, 2,462,500 Equity Shares from Vishal Swarup Agarwal, 2,769,200 Equity Shares from Sanju Agarwal and 335,417 from Komal Swarup Agarwal to the ASA Family Trust

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

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

- c. Except as disclosed below, none of the members of our Promoter Group, our Directors or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Date of allotment	Number of equity shares allotted	Face Value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason of allotment
January 28, 2021	371,380	1	33.70	Cash	Private Placement ⁽¹⁾

⁽¹⁾ Allotment of 185,690 Equity Shares to Arun Kishanlal Bagaria and 185,690 Equity Shares to Madhu Arun Kumar Bagaria, who are the relatives of one of our Directors, Rahul Arun Bagaria.

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

9. **Details of Promoter's contribution and lock-in**

- (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 our Promoters, shall be locked in for a period of three years as minimum Promoter's contribution from the date of Allotment and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.
- (ii) Details of the Equity Shares held by our Promoters to be locked-in for three years from the date of Allotment as minimum Promoter's contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment/transfer of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Offer/Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Anand Swarup Agarwal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

*All Equity Shares allotted to our Promoter were fully paid-up at the time of allotment.

- (iii) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.
- (iv) Our Promoters, have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution as required under the SEBI ICDR Regulations.
- (v) In this connection, please note that:
- (a) The Equity Shares offered for Promoter's contribution do not include equity shares acquired in the three immediately preceding years (i) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (ii) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of minimum Promoter's contribution.

- (b) The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.
- (c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.
- (d) The Equity Shares forming part of our Promoters' contribution are not subject to any pledge.
- (e) All the Equity Shares held by our Promoters are in dematerialised form.

10. **Other lock-in requirements:**

- (i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked in for three years as specified above, 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 except for the Equity Shares offered pursuant to the Offer for Sale.
 - (ii) Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, our Promoters' contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in 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.
 - (iii) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
 - (iv) The Equity Shares held by any person other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.
11. None of the BRLMs or their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.
12. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment.
13. There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
14. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 24.
15. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares.
16. Except for the Equity Shares allotted pursuant to the Fresh Issue and the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer.
17. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or 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 shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.
18. There are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

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

The Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. For further details of the Offer for Sale, see “*The Offer*” on page 69.

The Fresh Issue

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

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

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us: (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers.

Net Proceeds

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

Particulars	Estimated amount ⁽¹⁾ (₹ in million)
Gross Proceeds of the Fresh Issue	1,000 ⁽²⁾
(Less) Offer related expenses in relation to the Fresh Issue	[•]
Net Proceeds	[•]

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

⁽²⁾ Includes, the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, our Company may utilise the proceeds from such Pre-IPO Placement towards the objects of the Offer prior to completion of the Offer.

Utilisation of Net Proceeds

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

Particulars	Amount (₹ in million)
Funding working capital requirements of our Company	800
General corporate purposes ⁽¹⁾	[•]
Total	[•]

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

Proposed Schedule of Implementation and Deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(₹ in million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment
		Fiscal 2022
Funding working capital requirements of our Company	800	800
General corporate purposes ⁽¹⁾	[•]	[•]
Total	[•]	[•]

⁽¹⁾ To be finalised upon determination of the Offer Price

Means of Finance

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds, working capital facilities and internal accruals. Accordingly, we confirm that there is no requirement for us to make firm

arrangements of finance through verifiable means towards 75% of the stated means of finance. The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers, market conditions and other commercial and technical factors, and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law. For details, see, “*Risk Factors - Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval*” on page 48.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned objects during Fiscal 2022. In the event, our Company is unable to utilise the Net Proceeds per the estimated schedule of deployment due to any reason, including, *inter alia*, (i) economic and business conditions; (ii) timely completion of the Offer; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent Fiscals as may be determined by our Company, in accordance with applicable laws.

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 utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned objects, we may 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.

Details of the Objects of the Offer

I. Funding working capital requirements of our Company

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of our business from various banks, financial institutions and our internal accruals.

(a) Existing Working Capital:

Our Company’s existing working capital based on the Restated Financial Information is stated below:

(in ₹ million)

S. No	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
I.	Current assets				
A.	Inventories				
	Raw Material	185.88	145.78	154.26	73.62
	Work-in-Progress	9.09	28.08	15.71	5.18
	Finished Goods	351.10	182.85	160.15	96.27
	Packing Material, Store Spares & Consumables	43.84	29.02	25.16	17.15
B.	Trade receivables	2,248.74	1,831.74	1,783.13	1,247.79
C.	Cash and bank balances	781.85	80.29	28.42	34.88
D.	Other current assets	199.05	253.64	167.55	130.65
	Total current assets (I)	3,819.55	2,551.40	2,334.38	1,605.54
II.	Current liabilities				
E.	Trade payables	1,121.29	615.42	548.96	367.37
F.	Other current liabilities	225.12	153.78	123.32	127.29
	Total current liabilities (II)	1,346.41	769.20	672.28	494.66
III.	Total working capital requirement excluding cash and cash equivalents and bank balances other than cash and	1,691.29	1,701.91	1,633.68	1,076.00

S. No	Particulars	As at September 30, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
	cash equivalents (III) = (I) - (II) - (D) - (E)				
IV.	Fund pattern				
A.	Working Capital Facilities	122.80	135.45	437.73	325.51
B.	Internal accruals	1,568.49	1,566.46	1,195.95	750.49

Internal accruals means "Total Working Capital Requirements" less "Working Capital Facilities" and "Usage from Net Proceeds".
Figures for September 2019 have not been considered as same are not relevant for the purpose of calculating the incremental working capital requirements for Fiscals 2021 and 2022.

(b) Future Working Capital Requirements

Our Company proposes to utilise ₹800 million of the Net Proceeds in Fiscal 2022 towards our Company's working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals. The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated January 23, 2021, and key assumptions with respect to the determination of the same are mentioned below. Our Company's expected working capital requirements for Fiscal 2021 and Fiscal 2022 and the proposed funding of such working capital requirements are as set out in the table below:

(in ₹ million)			
S. No	Particulars	Fiscal 2022	Fiscal 2021
I.	Current assets		
A.	Inventories		
	Raw Material	228.73	197.70
	Work-in-Progress	11.44	9.88
	Finished Goods	388.84	336.08
	Packing Material, Store Spares & Consumables	57.18	49.42
B.	Trade receivables	2,850.84	2,457.06
C.	Other current assets*	305.45	263.26
	Total current assets (I)	3,842.48	3313.40
II.	Current liabilities		
A	Trade payables	732.91	641.43
B.	Other current liabilities	175.90	153.95
	Total current liabilities (II)	908.81	795.38
III.	Total working capital requirement (III) = (I) - (II)	2,933.67	2,518.02
IV.	Fund pattern		
A.	Working Capital Facilities	100.00	100.00
B.	Internal accruals [#]	2,033.67	2,418.02
C.	Usage from Net Proceeds	800.00	Nil

*Excluding cash and bank balances

[#]Internal accruals means "Total Working Capital Requirements" less "Working Capital Facilities" and "Usage from Net Proceeds"

Pursuant to the certificate dated February 8, 2021, Lodha & Co., Chartered Accountants have compiled and confirmed the working capital estimates and working capital projections, as approved by the Board pursuant to its resolution dated January 23, 2021.

Assumptions for Working Capital Requirements:

The following table sets forth the details of the holding period (with days rounded to the nearest) considered:

Particulars	No of days for the Fiscal ended March 31, 2018 (Actual)	No of days for the Fiscal ended March 31, 2019 (Actual)	No of days for the Fiscal ended March 31, 2020 (Actual)	No of days for the Period ended September 30, 2020 (Actual)	No of days for the Fiscal ended March 31, 2021 (Assumed)	No of days for the Fiscal ended March 31, 2022 (Assumed)
A. Current Assets						
(a) Inventory						
Raw Material	19	27	18	19	20	20

Particulars	No of days for the Fiscal ended March 31, 2018 (Actual)	No of days for the Fiscal ended March 31, 2019 (Actual)	No of days for the Fiscal ended March 31, 2020 (Actual)	No of days for the Period ended September 30, 2020 (Actual)	No of days for the Fiscal ended March 31, 2021 (Assumed)	No of days for the Fiscal ended March 31, 2022 (Assumed)
Work-in-progress	1	3	3	1	1	1
Finished Goods	25	28	22	36	34	34
Packing material, stores spares and Consumables	4	4	4	5	5	5
(b) Trade Receivables	180	191	140	123	140	140
(c) Other current Assets	19	18	19	11	15	15
B. Current Liabilities						
(a) Trade payables	66	71	57	85	50	50
(b) Other current Liabilities	23	16	14	17	12	12

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Particulars	Assumptions and Justifications
Inventories	<u>Raw materials:</u> Our company caters to both domestic as well as international customers. We have maintained raw material inventory between 18-27 days. This is required to ensure uninterrupted production. Accordingly, we have assumed 20 days of raw material inventory for the Fiscal ended March 31, 2021 and 2022. <u>Work-in-progress:</u> Our production processes emphasize on ensuring shorter lead times and cost competitiveness, which helps us maintain work-in-progress holding period of 1-3 days between March 31, 2018 to September 30, 2020, which going forward shall be maintained at similar levels ensuring efficient customer production processes. <u>Finished goods:</u> In order to achieve cost competitiveness and shorter lead times through constant innovation, we need to maintain efficient finished goods inventory levels. From March 31, 2018 to September 30, 2020 our finished goods days ranged between 22-36 days, which we assume to continue on similar levels of 34 days for the Fiscal ended March 31, 2021 and 2022. <u>Packing Material, Store Spares and Consumables:</u> From March 31, 2018 to September 30, 2020 our Packing Material, Store Spares & Consumables days ranged between 4-5 days, which we assume to continue on similar levels of 5 days for the Fiscals ended March 31, 2021 and 2022.
Trade receivables	Our Company had 123-191 days of receivables between March 30, 2018 to September 30, 2020 as we enjoy good long-standing customer relationships which we assume to be maintained at levels of 140 days for Fiscal 2021 and 2022.
Cash and bank balances	Cash and bank balances consist of cash and cash equivalents, balances with banks and term deposits with banks.
Other current assets	Other Current assets consist of Balance with Government authorities, Prepaid expenses, Security Deposits and Advances to Employees and Suppliers and Other Financial Assets. Our Company had a holding period of 11 – 19 days of other current assets between March 31, 2018 to September 30, 2020. We assume that our Company shall maintain other current assets at level of 15 days for Fiscal 2021 and 2022.

Particulars	Assumptions and Justifications
Trade payables	Our trade payables have been in the range of 57-85 between March 30, 2018 to September 30, 2020. However, going forward we assume to maintain payables at 50 days to avail best pricing and also buy from large suppliers across the world.
Other current liabilities	Other current liabilities consist of Financial Liabilities, Statutory Liabilities, Advance from Customers, Provision for employee benefits and Current tax Liabilities. Our Company had a holding period of 14 – 17 days of other current liabilities between March 31, 2018 to September 30, 2020. Going forward we assume that company shall maintain other current liabilities at level of 12 days owing to reduction in financial liabilities.

II. General Corporate Purposes

Our Company proposes to deploy the balance Gross Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The general corporate purposes for which our Company proposes to utilize Net Proceeds include strategic initiatives, growth opportunities and acquisitions, part or full debt repayment and strengthening of our manufacturing capabilities through refurbishment or renovation of our facilities, as may be applicable. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilizing surplus amounts, if any.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million.

The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, which will be solely borne by our Company, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer including, *inter-alia*, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies and any other governmental authority, advertising, printing, road show expenses, fees and expenses of the legal counsel to our Company and the legal counsel to the BRLMs as to Indian law and the international legal counsel to the BRLMs, fees and expenses of the statutory auditors, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, syndicate members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by our Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by our Company pursuant to the Fresh Issue and/or transferred by the Selling Shareholders pursuant to the Offer for Sale. All the expenses relating to the Offer shall be paid by our Company in the first instance. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder shall, severally and not jointly, reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder directly from the Public Offer Account.

The estimated Offer related expenses are as under:

Activity	Estimated expenses ⁽¹⁾ (in ₹ million)	As a % of the total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]

Activity	Estimated expenses ⁽¹⁾ (in ₹ million)	As a % of the total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
Selling commission/processing fee for SCSBs, Sponsor Bank and fee payable to the Sponsor Bank for Bids made by RIBs using UPI ⁽²⁾⁽³⁾⁽⁴⁾	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs ⁽⁵⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

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

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

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

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

⁽³⁾ No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

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

⁽⁴⁾ The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Sponsor Bank	₹[●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

*For each valid application

⁽⁵⁾ Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board.

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

Appraising Entity

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

Bridge Financing Facilities

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

Monitoring of Utilisation of Funds

As on the date of this Draft Red Herring Prospectus, the size of the Fresh Issue does not exceed ₹1,000 million and consequently, in accordance with Regulation 41 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency. However, in the event the size of the Fresh Issue exceeds ₹1,000 million, subsequent to the filing of this Draft Red Herring Prospectus and prior to the filing of the Red Herring Prospectus with the RoC, our Company will appoint a monitoring agency in accordance with Regulation 41 of SEBI ICDR Regulations.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, being the local language of the jurisdiction where our Registered Office is situated in accordance with the Companies Act, 2013 and applicable rules. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our AoA, and the SEBI ICDR Regulations.

Other Confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale in their capacity as Selling Shareholders, to the extent applicable, none of our Promoters, Directors, KMPs, Promoter Group will receive any portion of the Offer Proceeds and there are no existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, KMPs or Promoter Group.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also see “Risk Factors”, “Summary of Financial Information”, “Our Business”, “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 27, 71, , 134 , 179 and 234 respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Strong R&D and product development capabilities;
- Diversified portfolio of niche and quality specialized products;
- Long-term relationship with key customers;
- Advanced manufacturing facilities with focus on environment, health and safety;
- Strong sourcing capabilities and extensive distribution network;
- Consistent track record of financial performance; and
- Experienced promoters and strong management team

For details, see “Our Business – Strengths” on page 134.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see “Financial Statements” on page 179.

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

A. Basic and Diluted Earnings Per Share (“EPS”) (face value of each Equity Share is ₹1)

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2020	6.35	6.35	3
March 31, 2019	3.94	3.94	2
March 31, 2018	2.94	2.94	1
Weighted Average	4.98	4.98	
Six months ended September 30, 2020 [#]	6.51	6.51	
Six months ended September 30, 2019 [#]	2.41	2.41	

[#] Not annualised

NOTES:

1. Basic earnings per share (₹) =
$$\frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of equity shares in calculating basic EPS}}$$
2. Diluted earnings per share (₹) =
$$\frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares in calculating diluted EPS}}$$
3. The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.
4. Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

- 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 weighted average number of equity shares outstanding during the period is adjusted for bonus issue and share split.
- Our Company has, pursuant to a Board resolution dated December 21, 2020 and Shareholders resolution dated December 28, 2020, sub-divided the equity shares of face value of ₹100 each to Equity Shares of face value of ₹1 each and undertaken a bonus issue of 7,95,81,250 Equity Shares. Basic and diluted EPS are considered post sub-division and issue of bonus shares.

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

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for Fiscal 2020	[●]	[●]
Based on diluted EPS for Fiscal 2020	[●]	[●]

Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	76.67
Lowest	24.15
Average	40.08

NOTES:

- The industry high and low has been considered from the industry peer set provided later in this section.
- For Industry P/E, P/E figures for the peer is computed based on closing market price as on January 18, 2021 at BSE, divided by Basic EPS (on consolidated basis unless otherwise available only on standalone basis) based on annual report of the company for the year ended March 31, 2020 submitted to stock exchanges.

C. Return on Net worth (“RoNW”)

Fiscal	RoNW (%)	Weight
March 31, 2020	27.57%	3
March 31, 2019	23.48%	2
March 31, 2018	22.80%	1
Weighted Average	25.41%	
Six months ended September 30, 2020 [#]	22.03%	[●]
Six months ended September 30, 2019 [#]	12.59%	[●]

[#] Not annualised

NOTES:

- Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- Return on Net Worth ratio: restated profit for the year/period attributable to equity shareholders of the company divided by the Total Equity of the Company at the end of the year/period.
- The weighted average return on net worth is a product of return on net worth and respective assigned weight, dividing the resultant by total aggregate weight.

D. Net Asset Value (“NAV”) per share (face value of each Equity Share is ₹1)

Fiscal/ Period ended	NAV (₹)
As on March 31, 2020	23.05
As at September 30, 2020	29.54
After the completion of the Offer	At the Floor Price: [●]
	At the Cap Price: [●]
	At the Offer Price: [●]

NOTES:

- Net asset value per Equity Share is calculated as restated net worth at the end of the period/year divided by the weighted average number of equity shares.

2. Our Company has, pursuant to a Board resolution dated December 21, 2020 and Shareholders resolution dated December 28, 2020, sub-divided the equity shares of face value of ₹100 each to Equity Shares of face value of ₹1 each and undertaken a bonus issue of 79,581,250 Equity Shares. NAV per share is considered post sub-division and issue of bonus shares.

E. Comparison with Listed Industry Peers

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses;

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
India Pesticides Limited	4,897.27	1	[●]	6.35	6.35	27.57	23.05
Listed Peers							
Dhanuka Agritech Limited	11,451.59	2.00	26.08	29.71	29.71	19.45	148.72
Bharat Rasayan Limited	12,318.70	10.00	27.46	371.03	371.03	27.83	1,327.73
UPL Limited	3,58,600.00	2.00	24.15	23.24	23.24	9.95	252.37
Rallis India Limited	22,861.50	1.00	30.41	9.51	9.51	12.90	72.48
PI Industries Limited	34,154.00	1.00	66.56	33.08	33.08	15.31	189.64
Sumitomo Chemical India Limited	24,354.57	10.00	76.67	4.10	4.10	16.34	24.48
Atul Ltd	41,711.00	10.00	29.26	224.69	224.69	19.26	1,063.63

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports as available of the respective company for the year ended March 31, 2020 submitted to stock exchanges

Financial information for India Pesticides Limited is derived from the Restated Financial Information for the year ended March 31, 2020.

NOTES:

1. Basic and Diluted EPS as reported in the annual report of the company for the year ended March 31, 2020. P/E Ratio has been computed based on the closing market price of equity shares (January 18, 2021 – BSE) divided by the Basic EPS for the year ended March 31, 2020. Return on net worth (%) = Net profit/(loss) after tax / Net worth at the end of the year. Net asset value per share (in ₹) = Net worth at the end of the year / Total number of equity shares outstanding at the end of March 31, 2020.

F. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 27, 134, 179 and 234, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

Date: February 8, 2021

**The Board of Directors
India Pesticides Limited**

35-A Civil Lines
Bareilly 243 001
Uttar Pradesh, India

Statement of Possible Tax Benefits available to India Pesticides Limited and its shareholders under the Indian tax laws

Dear Sir/Ma'am,

1. We hereby confirm that the enclosed Annexures 1 and 2 (together the "**Annexures**"), prepared by India Pesticides Limited (hereinafter referred as the "**Company**"), provide the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (the "**Act**"), as amended by the Finance Act 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**"), the Customs Act, 1962 ("**Customs Act**"), the Customs Tariff Act, 1975 ("**Tariff Act**") as amended by the Finance Act, 2020, i.e., applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22, and Foreign Trade Policy 2015-20, presently in force in India (together, the "**Tax Laws**"). This statement can be included in the (i) draft red herring prospectus proposed to be filed with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"); (ii) red herring prospectus proposed to be filed with the Registrar of Companies, Uttar Pradesh at Kanpur ("**Registrar of Companies**"), the SEBI and the Stock Exchanges; and (iii) prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies for the proposed initial public offer through a fresh issuance of equity shares of face value Re. 1 each of the Company (the "**Equity Shares**") and an offer for sale of Equity Shares by the certain selling shareholders of the Company (the "**Offer**"), under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.
3. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
5. This Statement is issued solely in connection with the Offer and is not to be used, referred to or distributed for any other purpose.

Yours faithfully,

For and on behalf of Lodha & Co.

**Chartered Accountants
Firm Registration Number: 301051E**

**Name: R. P. Baradiya
Designation: Partner
Membership No.: 044101
UDIN: 21044101AAAAC4996**

Place: Mumbai

ANNEXURE 1

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2020 i.e., applicable for Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India

I. Special tax benefits available to the Company

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that they will opt to apply section 115BAA for the assessment year 2021-22.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above Statement of possible tax benefits is as per the current Income Tax Act, 1961 read with relevant rules, circulars and notifications relevant for the Assessment Year 2020-21 and Assessment Year 2021-22.
4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.
6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications (“GST law”), the Customs Act, 1962, Customs Tariff Act, 1975 (“Customs law”) and Foreign Trade Policy 2015-2020 (“FTP”) (collectively referred as “Indirect Tax”)

I. Special tax benefits available to the Company

1. There are no special tax benefits available to the Company under GST law.
2. Company is availing import customs duty exemption against fulfilment of export obligations as mentioned under the advance license issued by the DGFT for various products.

II. Special tax benefits available to Shareholders

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

Notes:

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax laws mentioned above.
2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefit under any other law.
3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

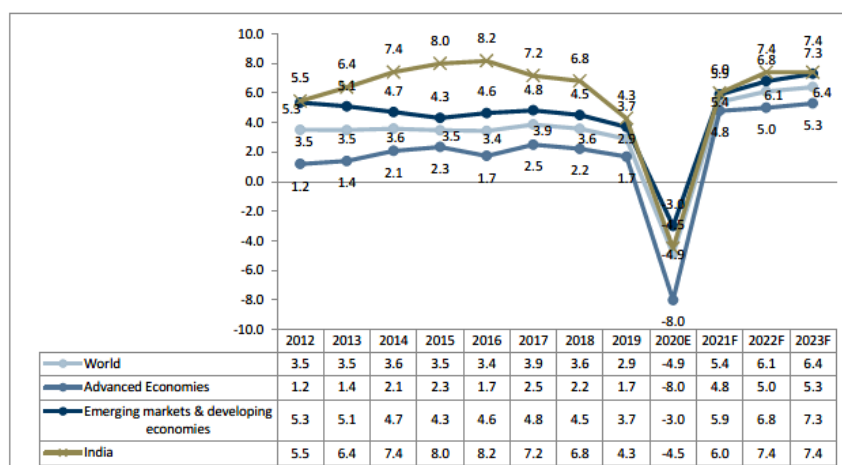
Unless otherwise indicated, industry and market data used in this section have been derived from the report “Independent Market Report on Agrochemicals & Pharmaceutical Intermediates” dated February 2021 (the “**F&S Report**”) prepared and released by Frost and Sullivan and commissioned by us. None of our Company, the Book Running Lead Managers or any other person connected with the Offer has independently verified such information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Also see, “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data**” and “**Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**” on pages 22 and 57, respectively.

Macroeconomic Overview

Gross Domestic Product (“GDP”) Growth

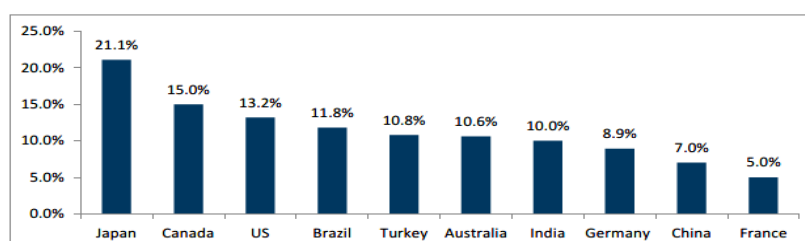
The Global GDP growth is forecasted to contract by approximately 5% in 2020. The deep recession triggered by the COVID-19 pandemic is expected to have short-term repercussions, such as, low investments with the loss of human capital and fragmentation of the global trade linkages. However, the medium-long term health of the economy is expected to be healthy, with the demand expected to rise back to its pre-COVID-19 levels. This is expected to be driven by the increased government investments and incentive schemes.

Real GDP Growth (%) 2012- 2023P



Source: World Economic Outlook, International Monetary Fund Estimate-Jun 2020, Moody's Outlook, Frost & Sullivan Analysis

COVID-19 fiscal stimulus packages in G20 countries, as a share of GDP

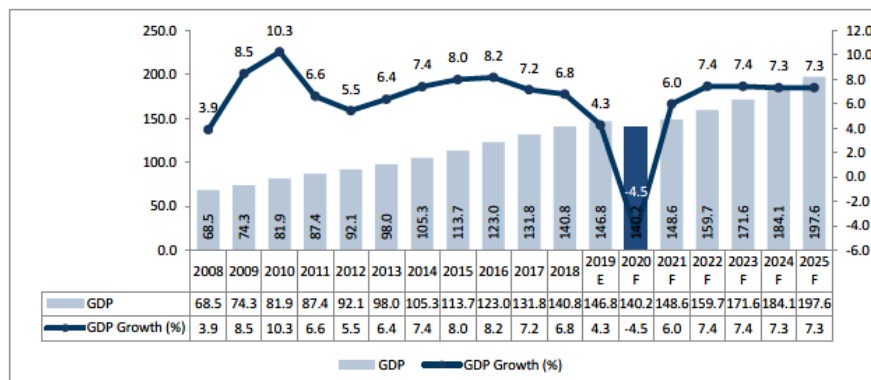


Source: IMF

India's GDP Growth and Outlook

The Indian economy was already declining and subsequently, on account of the COVID-19 and the lockdown imposed in March 2020, the growth track for the Indian economy has been significantly derailed. India's GDP is expected to contract by 4.5% in Fiscal 2020 for the first time in four decades. However, the medium term growth outlook is expected to improve and record a growth rate of approximately 7.3% by 2025, on an account of the strong macroeconomic fundamentals which include moderate inflation, the implementation of key structural reforms and the improved fiscal and monetary policies.

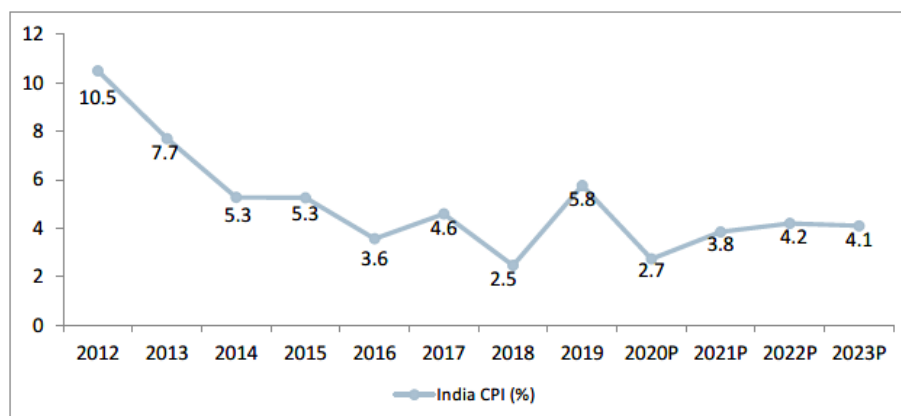
Real GDP Value, at constant price (₹ 000' billion) and Growth (%), India, 2008 to 2025F



Source: Moody's Outlook (Nov 2019) Moody's press release 2020, International Monetary Fund Estimate-June 2020, Dun and Bradstreet, Frost & Sullivan

The state-wise GDP growth rates from 2012-2013 to 2019-2020 suggested that states with major dependence on agriculture are experiencing faster growth compared to the ones that are primarily reliant on industries. As per data reported by the Central Statistical Organization, states are divided into major states, smaller states and union territories. Further, it is evident that COVID-19 pandemic has slowed down GDP growth rate in the states, which is a result of stringent lockdown imposed by Government of India in order to counter the coronavirus spread. However, states with major dependence on agriculture are less impacted. In particular, agriculture-dependent states, such as, Bihar, Madhya Pradesh, Andhra Pradesh, Haryana and West Bengal, have recorded higher growth rates in Fiscal 2020 compared to their previous Fiscals. Non- agriculture dependent states have been impacted significantly due to the lockdown imposed on account of COVID-19. Economic recovery in agriculture - dependent states have been witnessed faster than non- agriculture dependent states.

Inflation (end of period consumer prices) (%) 2012 - 2023P



Source: World Economic Outlook, International Monetary Fund Estimate-June 2020,

Retail inflation declined marginally from 6.73% to 6.69% in July 2020, but still remained higher than RBI's target levels. CPI core inflation also increased to a 21-month high of approximately 5.79% in August 2020, reflecting underlying price pressures. Persistent supply chain disruptions seem to have more than offset the impact of weak demand. Food cargo movement was restricted owing to re-instatement of lockdowns in many cities and heavy rains in agrarian states.

Strong Growth Path

The Government of India has taken several measures in this direction and the economy is expected to return to a high growth trajectory. As the monetary and fiscal stimuli work their way through, and confidence is restored in the global markets, India can expected to experience an economic turnaround shortly. In addressing the current slowdown, India has several advantages and comforting factors including the following:

Aatmanirbhar Bharat Abhiyan- 01: This campaign is especially expected to benefit the speciality chemicals sector, with several players hoping to position themselves as an alternative to China as the COVID-19 pandemic prompts companies to diversify their supply chains. The Government of India announced a production linked incentive (“**PLI**”) scheme for the promotion and manufacturing of pharmaceutical raw materials in India. The Government’s move is aimed to increase domestic manufacturing and cut dependence on imports of critical active pharmaceutical ingredients (“**APIs**”). Further, the Government has also decided to develop three mega bulk drug parks in partnership with states. In addition, the government is also in the process of launching a PLI for the chemical sector to increase self-reliance in India.

Aatmanirbhar Bharat Abhiyan- 02: The Government of India made certain further announcements on October 12, 2020, including ₹ 25,000 crores to be provided as additional capital expenditure to Ministry of Road Transport and Ministry of Defence and 11 States were sanctioned ₹ 3,621 crores as interest free loan towards capital expenditure.

Aatmanirbhar Bharat Abhiyan- 03: The Prime Ministers Rozgar Protsahan Yojana (“**PMRPY**”) was implemented up to March 31, 2019 to incentivize formalization and creation of new employment. Total benefit of ₹ 8,300 crore has been given to 152,899 establishments covering 12,169,960 beneficiaries under PMRPY.

Agriculture and COVID-19 pandemic

The Electronic National Agriculture Market (‘e-NAM’) was launched in April 2016 to create a unified national market for agricultural commodities by networking existing agriculture produce marketing committees. It had 16.6 million farmers and 131,000 traders registered on its platform until May 2020. Over 1,000 mandis in India are already linked to e-NAM and 22,000 additional mandis are expected to be linked by 2021-2022. With pro-farmer policies, agriculture sector has managed well despite the COVID-19 pandemic in India.

Sale of tractors in India was 804,000 units in 2019 with export of 80,475 units. One of the sectors that have largely remained unaffected in COVID-19 times has been the agriculture sector. The farm sector will grow by 3% in the current year despite adverse conditions and it is expected to add at least 0.5% to India's GDP growth in 2020-2021 as per Niti Aayog.

Going forward, agriculture-start-ups will have an indispensable role in combating the economic fallouts of COVID-19. They need to be made ‘ready to adjust’ and adapt to a new normal with better cash flow management and revenue streams.

GLOBAL AGROCHEMICAL INDUSTRY

Global Agrochemicals Industry

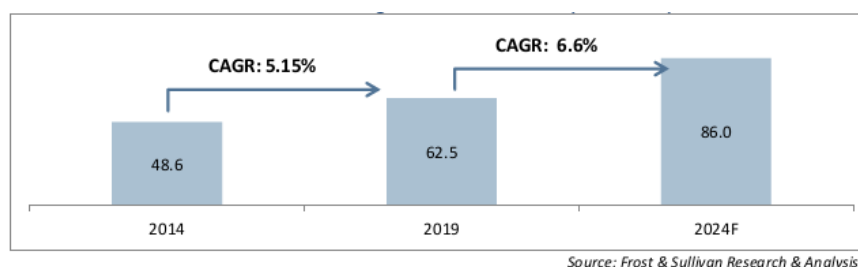
Note: Agrochemical section does not include commodity products, such as, fertilizers. It only covers crop protection products, such as, herbicides, insecticides and fungicides.

Crop protection chemicals are primarily classified into insecticides, herbicides and fungicides followed by nematocides and rodenticides. This classification is based on the fact that a crop needs protection from insects, herbs, fungus, nematodes or rodents.

Global Agrochemical Market Overview

The global agrochemicals market was valued at US \$ 62.5 billion in 2019 and is forecasted to reach US \$ 86 billion by 2024 growing at a compound annual growth rate (“**CAGR**”) of 6.6%. The rising population across the world, accompanied by rising affluence, is seeing a shift in consumption patterns. There is a need to not just increase production to meet demand but also to ensure that the nutritional needs of an increasingly affluent population are met.

Global agrochemical market (in US\$ billion)



Source: Frost & Sullivan Research & Analysis

Drivers, restraints and key success factors in the global market

The primary demand drivers for the crop protection chemicals market are increasing demand for food security in order to meet needs of growing population. Due to instances across the world of increased pest attacks, crop protection chemicals are expected

to see rapid growth. However, the demand inhibitors include increased restrictions and government regulations on usage of pesticides.

A key success factor for the crop protection chemicals in the market is extensive research and development capabilities of a company to develop new molecules satisfying the government norms and stringent environment regulations.

Following are some of the critical success factors for the players involved in crop protection chemicals:

- **Backward integration of technical active ingredients:** Many formulators' needs to have backward integration of its technical active ingredients ('AI') in order to succeed in gaining high profit margins in the market.
- **Comprehensive product portfolio:** 'One stop solution' for farmers of all the agrochemical needs certainly drives the success of one firm over another.
- **Strong distribution network:** Distribution network plays vital role in reaching at the fragmented farmers' base across the world also enabling excellent feedback mechanism and profound customer relations.

Key Growth Drivers

There is a high growth rate in the world population, which results in an increase in demand for food crops. This further leads to a greater crop production for which advanced agricultural practices are necessary. Using chemicals on land to fight diseases, insects and weeds increases the productivity per acre or hectare, and therefore, help in feeding the growing population. It is estimated that the world population is growing at the rate of 70 to 80 million per year. A majority of this growth occur in the economically developing nations, such as, India, China, and other countries in Africa and Asia. Being a high-impact driver, this will influence the market to a very great extent.

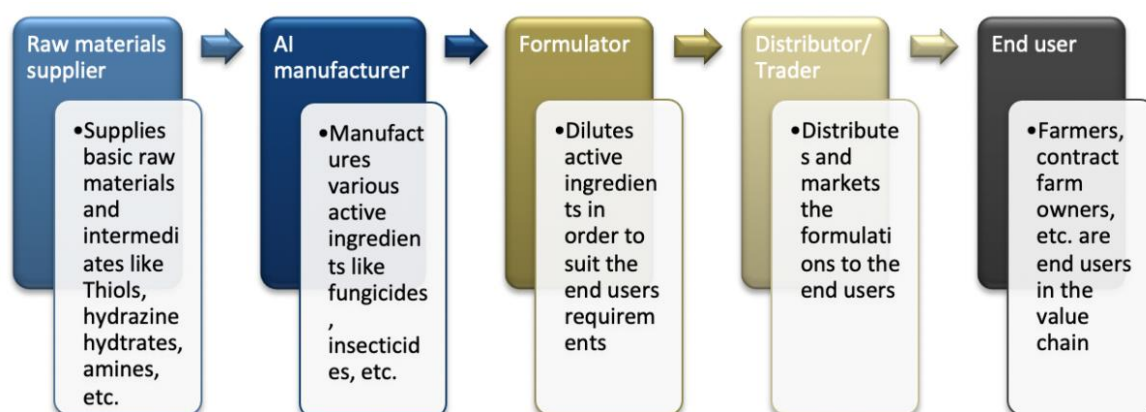
Limited Growth of Farm Acreage. Owing to the growing population, there is also a threat that the agricultural land area may have no or limited growth. With limited growth in land and high demand, there is a necessity to increase productivity and therefore, chemicals are used to reduce damage to the crops of interest.

Farmers Look to Maximize Profits. Farmers run their farms as a profit-making business and thus, they have looked to maximize the return on investment. This implies minimizing the costs while maximizing the yields.

Increase in the Purchasing Power of Farmers. Steady crop prices, increased awareness levels of the farmers, and rise in the total irrigated area have improved the general standard of living of the farmers. This has led to an increase in the purchasing power of farmers, which is driving the market for agricultural inputs.

Agrochemicals market value chain

The global agrochemical value chain comprises of raw material suppliers (both petrochemical derivatives as well as natural feedstock), pesticide active ingredient/technical grade manufacturers, formulators producing the end products, distributors and end use customers.



Source: Frost & Sullivan Research & Analysis

Active ingredient manufacturers

Active ingredients are also known as technical material for crop protection formulations. These are derived from intermediates, such as, thiols, hydrazine hydrate and derivatives and amines. Each class of pesticide does have a particular basic content which is responsible for controlling the intended pest group.

Major crop protection chemical active ingredients by applications

Class of pesticide	Major active ingredients	Applications	Notes
Insecticides	Monocrotophos, Permethrin, Imidachloprid, Alphamethrin, Chlorpyriphos, Cypermethrin, etc.	Cotton, rice, etc.	Applied on the leaves of the crops in pre/post emergent phase
Fungicides	Mancozeb, Ziram, Hexaconazole, Carbendazim, Thiram, Captan Folpet , Cymoxanil, Thiocarbamate, etc.	Fruits, vegetables, etc.	Applied on leaves before rains & prior/after development of fungus
Herbicides	Glyphosate, Isoproturan, Pretilachlor, Chlodinofof Propargyl, Benthocarb , Prosulfocarb, Thiocarbamate, etc.	Rice, wheat, etc.	Applied on the ground depending on the germination status of the crop
Bio-pesticides	Spinosyns, neem derivatives, etc.	Rice, maize, etc.	
Others	Zinc phosphide, Aluminum phosphides, etc.	Grains, pulses, etc.	

Source: Industry, Frost & Sullivan Research & Analysis

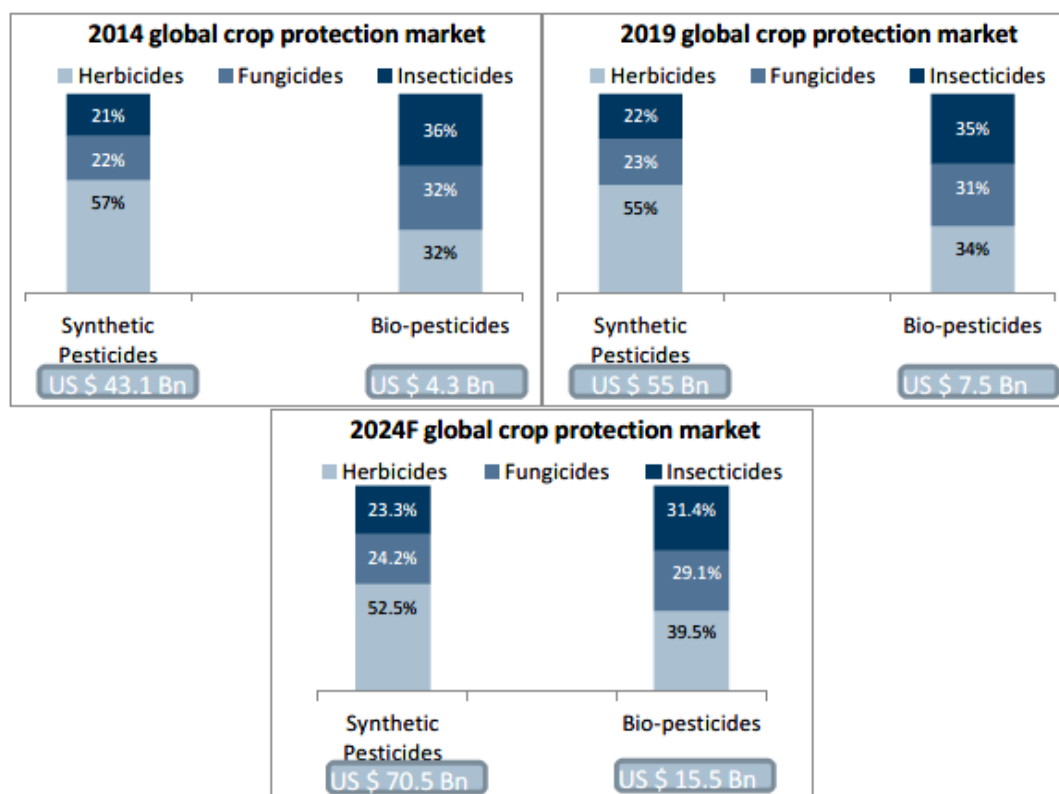
Formulators

A formulator accepts the active ingredient, measures out the proper amount, mixes it with carrier if it is to be a liquid pesticide or with inert powders. An emulsified formulation is usually concentrated to render transport easier (the active ingredient typically makes up 50% of the emulsified concentrate), but granulated and dry pesticides are ready to use.

Global agrochemicals market segmentation

Global agrochemicals market can further be segmented into synthetic pesticides and bio-pesticides. Bio-pesticides are expected to be growing with 16% growth rate over the next half decade, compared to 5% growth rate recorded by synthetic pesticides globally. Total agrochemicals market is projected to grow from US \$ 62.5 billion in 2019 to US \$ 86 billion by the end of 2024.

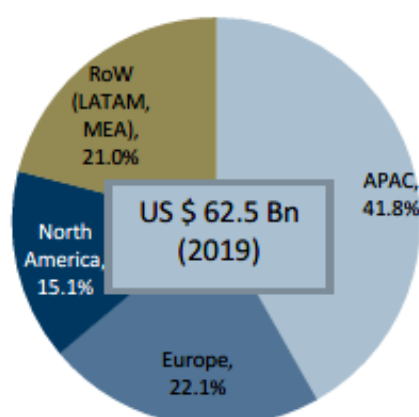
Global agrochemicals market segmented by product type (by value)



Source: Frost & Sullivan Research & Analysis

CAGR	Synthetic pesticides			Bio-pesticides		
	Herbicides	Fungicides	Insecticides	Herbicides	Fungicides	Insecticides
2014-19	4.2%	5.9%	6.0%	13.1%	11.1%	11.1%
2019-24F	4.1%	6.2%	6.3%	19.1%	14.2%	13.1%

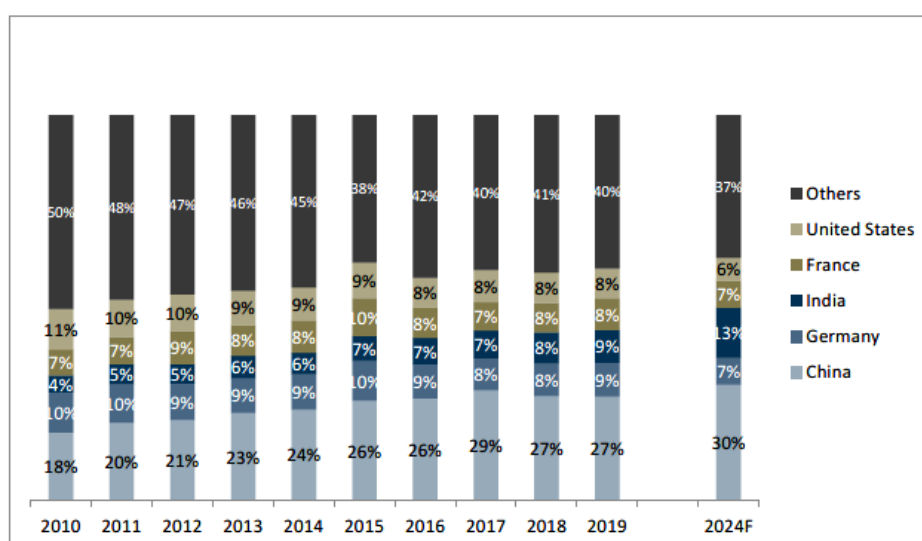
Global agrochemicals market segmentation by geography



Source: Frost & Sullivan Research & Analysis

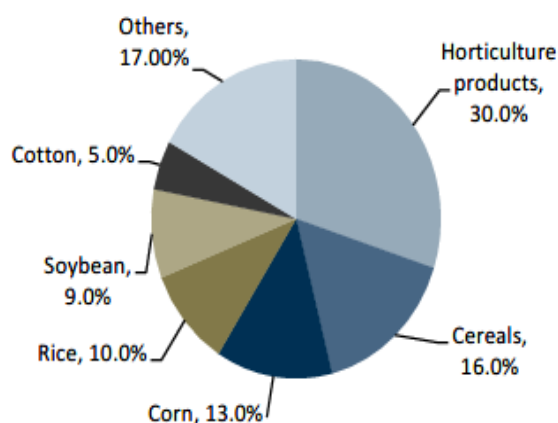
The Asia Pacific region dominates the regional demand for agrochemicals due to agriculture consumption needed in order to feed the growing and already higher population. Countries, such as, India, China, Indonesia and Australia, dominate the usage of crop protection chemicals in the Asia Pacific region. Europe and North America are also high demand centres for agrochemicals with major imports of active ingredients from China.

Global agrochemicals exports by countries (in volume), 2010-24F



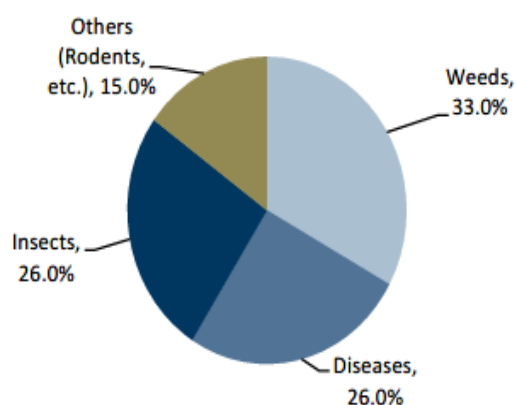
Brazil, France, Canada, Germany and United States import 25% of the total imports of pesticides globally. Major exporter countries to the world geographies include China, Germany, India, France and United States, accounting for more than 65% exports share in the market. The four largest producers of agrochemicals worldwide include United States, Japan, China and India. India has emerged as the third largest exporter of pesticide globally in volume terms. India is emerging as an export destination due to cheaper manufacturing costs, skilled labour, research and development expertise, chemistry capabilities and Environmental, Health and Safety compliances. In addition to exports to the top eight countries, i.e. United States, Brazil, France, Japan, Australia, Belgium, China and Netherlands, which contribute approximately 50% to total agrochemical exports from India, manufacturers could also explore countries in South East Asia, Latin America and select countries in Middle East and Africa.

Global crop protection chemicals market segmentation by crop type, 2019



Source: Industry research

Crop losses caused by different pests, 2019

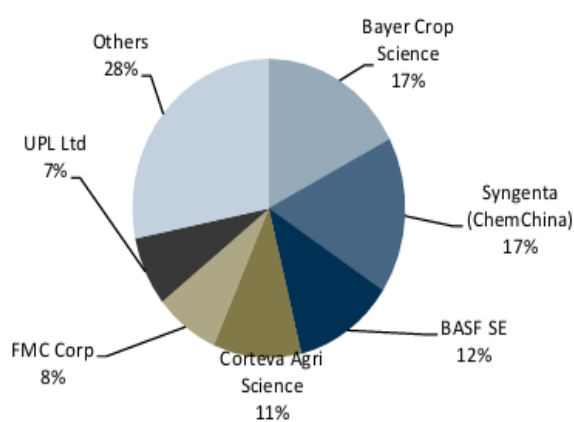


Source: Industry research

Competition Landscape: Emergence of big four agro-chemical companies after major merger and acquisition activities

There have been various mergers and acquisitions in the agrochemicals segment in the last three years, resulting in the big four agro-chemical companies, comprising China National Chemical Corporation Limited (ChemChina), Corteva Inc., BASF SE and Bayer AG.

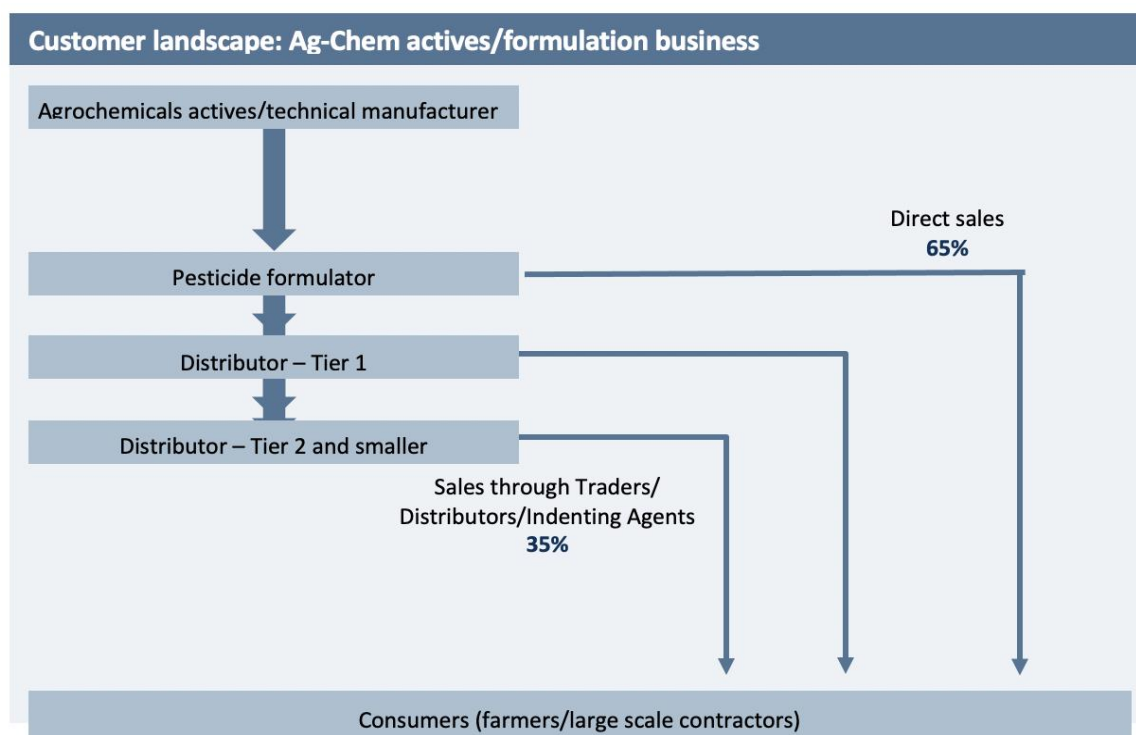
Global agrochemicals market segmentation by players, 2019 (after consolidation)



Source: Frost & Sullivan research & analysis

Customer Landscape

There are multiple stakeholders involved in the customer landscape of the global agrochemical actives/ formulations market. The consumers of pesticides are largely divided into (i) consumption through custom synthesis; and (ii) direct route to consumption.



Regulatory framework in developed countries

A large number of different regulatory authorities are involved in regulation and/or control of pesticides internationally. Consequently, systems for registration or authorization of plant protection products and post registration monitoring controls vary in different countries and regions internationally, although the underlying objectives to develop safe and effective pesticide products that do not cause harm to consumers or the environment are the same.

To summarize, high entry barriers for pesticide companies to ensure compliance with United States, European Union, Japan and other developed nation's specifications, in terms of safety and toxicity, is among some of the restraints in the crop protection market.

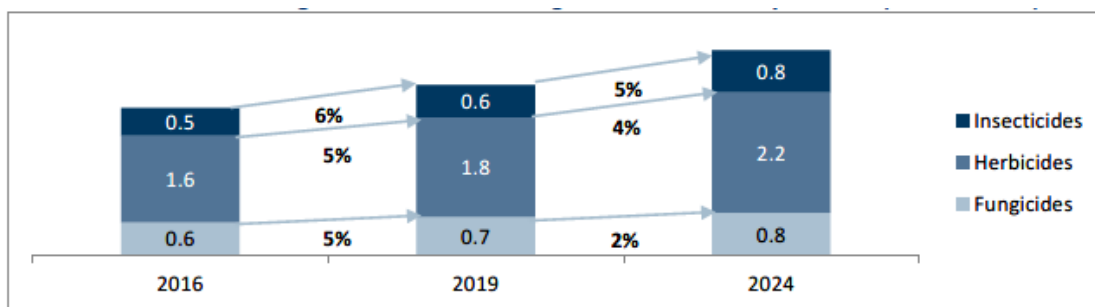
Global agrochemical active ingredients market overview

The following table sets forth the top active ingredient molecules by volume in 2019:

Active ingredient	Pesticide type	Crops
Glyphosate	Herbicide	Soy, maize (corn), canola, alfalfa, sugar beets, cotton, etc.
Metolachlor	Herbicide	Cabbage, citrus, coffee, corn, cotton, green peas, maize, onion, soybeans, sugar beets, vineyards, etc.
Pyraclostrobin	Fungicide	Tomato, etc.
Mesotrione	Herbicide	Corn, etc.
Thiamethoxam	Insecticide	Mostly vegetables
Acetochlor	Herbicide	Cabbage, citrus, coffee, corn, cotton, green peas, maize, onion, soybeans, sugar beets, vineyards, etc.
Azoxystrobin	Fungicide	wheat, barley, oats, rye, soya, cotton, rice, strawberry, peas, beans, onions and many other vegetables
Atrazine	Herbicide	Sorghum, maize, sugarcane, lupins, pine, etc.
Abamectin	Insecticide	Ornamentals, cotton, citrus fruit, pome fruit, nut crops, etc.
Clathianidin	Insecticide	Corn, cotton, soybeans, root and tuber vegetables, etc.

Source: Fernandez-Cornejo, Et'al

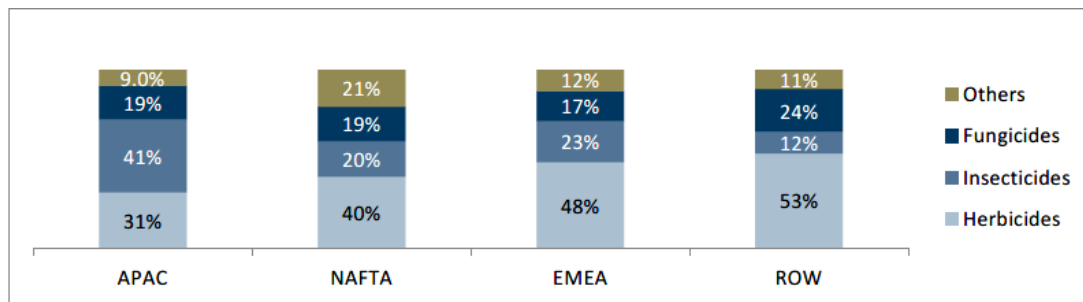
Global agrochemicals active ingredients market by volume (million tons)



Source: Frost & Sullivan Research & Analysis

The crop protection active ingredients market was 3.1 million tons globally in 2019 and is expected to grow to approximately four million tons by 2024. Herbicides occupy the highest share in the crop protection active ingredients market due to farm labour shortage predominantly internationally.

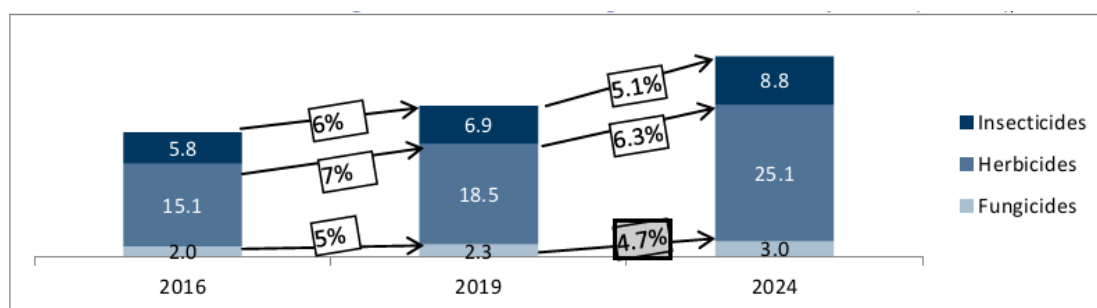
Global agrochemicals active ingredients market by regions (Volumetric, 2019)



Source: Frost & Sullivan Research & Analysis

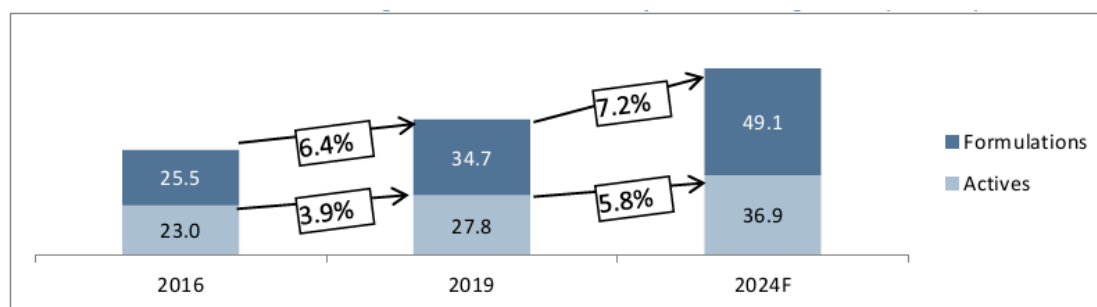
It is evident that fungicides and herbicides are more prominent globally compared to the Asia Pacific region. Global trend suggests that herbicides and fungicides are going to record higher growth internationally. Numerous factors, such as, farm labor shortage, contribute to this higher growth. The insecticides segment with crop protection chemicals is comparatively saturated. The herbicides segment is estimated to experience significant growth. The other crop protection chemicals, such as, plant growth regulators and rodenticides are also expected to show significant market growth. Therefore, the manufacturers of technical for herbicides and fungicides category will have a higher opportunity and growth to explore compared to companies dealing with insecticides alone. Hence, companies such as India Pesticides Limited, are expected to benefit due to their focused product portfolio towards herbicides and fungicides, meeting global trends.

Global agrochemicals active ingredients market by value (US\$ billion)



Source: Frost & Sullivan Research & Analysis

Global agrochemicals market by business segments (US\$ billion)



Agrochemical actives are also known as technical material which serve as a pre-cursor to the formulations. Over the last 20 years, the share of the crop protection market attributable to the leading markets, i.e. North America, EU-15 and Japan, that are the major focus of new active ingredient research and development, has declined. Greater growth has been recorded in developing markets, making the strong focus on current research and development strategy. The rate of new active ingredients entering development and subsequently being introduced has declined due to stringent regulations in the industry. As a result, the industry has become more reliant on older and off-patent chemistries.

On an average, it takes 11.5 years for an active ingredient to see first sales from the time of first research trial. Research of new active ingredient molecule contributes around one-third the cost of total expenditure on research and development.

There are approximately 19 Technicals which are expected to lose patent protection between 2019 and 2026 and as a result of which the demand for these Technicals globally is expected to increase and in particular in regulated markets. With so many products coming off-patent, industry players have the chance to choose the right off-patent or generic active ingredients for their products development strategy. The following are the active pesticide molecules which are going proprietary off-patent in the next half decade:

Molecules going off-patent over the next half-decade

Molecules	Inventor	Opportunity size (US \$ Mn, 2019)
Bixafen	Bayer cropscience	1200
Chlorantraniliprole	Dupont de Nemours Inc.	1500
Cyantraniliprole	Dupont de Nemours Inc.	700 – 900*
Cyprosulfamide	Dupont de Nemours Inc.	650 – 800*
Fenpyrazamine	Sumitomo Chemical	200 – 300*
Flubendiamide	Nihon Nohyaku, Bayer Crop Science	700 – 900*
Fluopicolide	Bayer cropscience	400 – 500*
Fluopyram	Bayer cropscience	250 – 350*
Fluxapyroxad	BASF SE	450 – 500*
Isopyrazam	Syngenta AG	300 – 350*
Mandipropamid	Syngenta AG	60
Penflufen	Bayer cropscience	50 – 100*
Penthiopyrad	Mitsui Chemicals	600 – 700*
Pinoxaden	Syngenta AG	681
Pyriofenone	Ishihara	200 – 400*
Pyroxsulam	Dow AgroSciences	400 – 450*
Sedaxane	Syngenta AG	350 – 400*
Thiencarbazone-Methyl	Bayer CropScience	900 – 950*
Valifenalate	Belchim	500 – 600*

*Estimated on best efforts basis

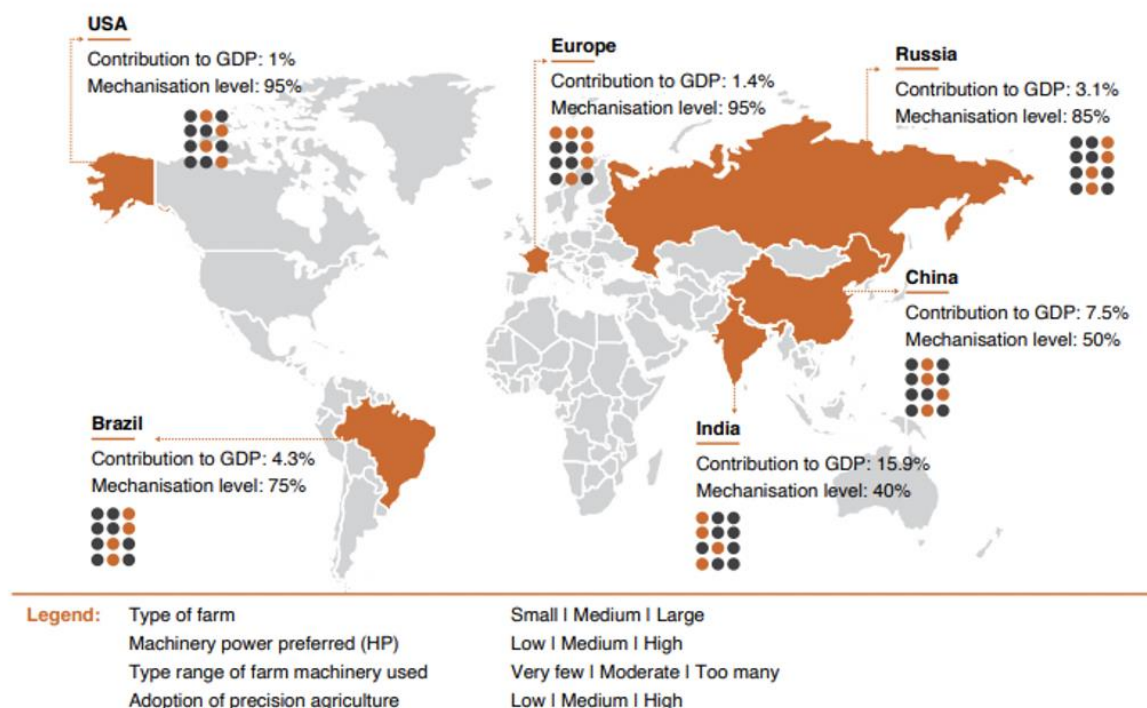
By 2026, an opportunity size of over US\$ 4.2 billion is expected due to 19 key active ingredients going off-patent. Some of the key products include: Bixafen, Chlorantraniliprole, Cyantranilipore, Fluropyram, Fluxapyroxad, Sedaxane, Fenpyrazamine and Flupicolide. These are expected to provide a huge opportunity for generic manufacturers in India.

Some products with immediate opportunity which have gone off-patent in 2018 and also immediately in next two years include: Pinoxaden, Aminopyralid, Tembotrione. These herbicides have global sales of approximately US\$ 950 million. Insecticides, such as, Flubendiamide and Spirotetramat have combined global sales of almost US\$ 595 million.

Farm mechanization

Globally, governments are focused on enhancing food productivity. The relation between mechanisation level, its key features and the contribution of agriculture to GDP across key regions and countries of the world has been as below:

Current status of mechanisation vis-à-vis contribution of agriculture to GDP



Source: FICCI, World Bank

Key drivers of farm mechanization include:

- Increasing global population and its increasing food needs;
- Increase in demand for food, fibre and fuel;
- Emerging new technological trends in machines and making life easier for farmers;
- Labour shortage in developed nations; and
- Precision agriculture.

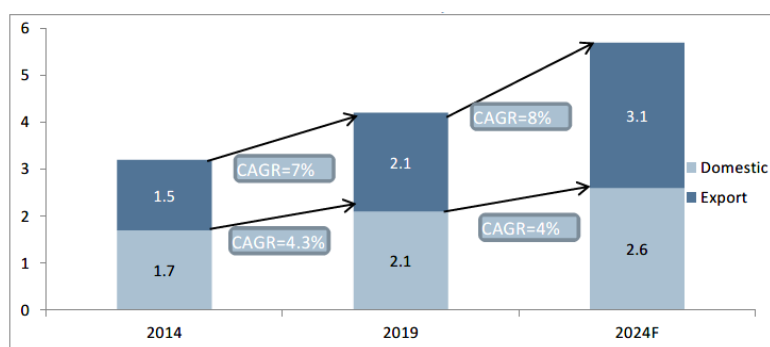
INDIAN AGROCHEMICAL INDUSTRY

India crop protection industry overview

India crop protection chemicals exports have grown at an approximate CAGR of 9% during the years 2015 to 2019. The actual export contribution of crop protection chemicals was 50% of total domestic production (by value) in 2019. Exports are projected to grow to approximately 55% in 2024, in terms of value. In 2024, exports are expected to grow to US \$ 3.1 billion contributing 55% of total domestic production which is expected to be valued at US \$ 5.7 billion.

India was the world's third largest pesticide exporter by volume in 2018. China leads the exports of pesticides with 27% of market share in the world exports, followed by Germany (8.3%), India (8%), United States, Belgium and France.

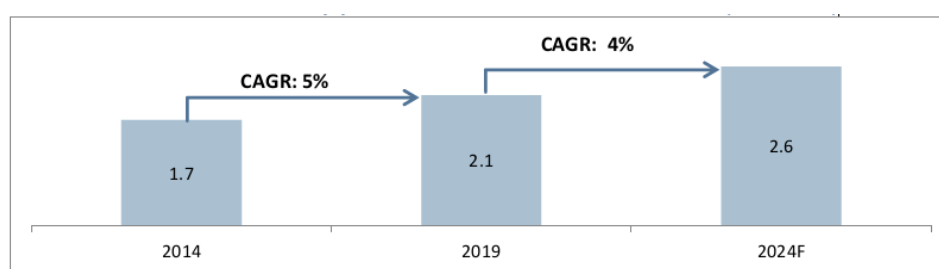
Indian crop protection chemicals market by exports and domestic consumption (US \$ billion)



Source: Frost & Sullivan Research & Analysis

India has been ranked fourth globally in the production of agrochemicals (crop protection chemicals/ pesticides) after the United States, Japan and China, as per India Brand Equity Foundation Report 2019. The domestic Indian crop protection chemicals market is valued at US\$ 2.1 billion which is expected to grow at 4% in the next five years to US\$ 2.6 billion by 2024.

Indian crop protection chemicals domestic market (in US \$ billion)



Source: Frost & Sullivan Research & Analysis

Per hectare crop protection chemicals consumption in India

India has one of the lowest per capita consumptions of crop protection chemicals per hectare, which suggests, there is a significant scope of growth for the crop protection chemicals in India, increasing agricultural productivity and compensating the shortage of farm labour by extensive use of herbicides.

India crop protection chemicals value chain



Indian crop protection chemicals market - Competitive landscape

Sr. No.	Company Name	Business Segments	2019-20 Revenue	Net Profit (INR Cr)	Net Profit Margin	% Exports
1	PI Industries	Pesticides/Agro Chemicals sector	INR 3,415 Cr	INR 457 Cr	13.4%	66%
2	Astec Lifesciences	Pesticides/Agro Chemicals sector	INR 522 Cr	INR 48 Cr	9.2%	27%
3	Bharat Rasayan	Crop Protection	INR 1,232 Cr	INR 158 Cr	12.8%	-
5	Indofil Chemicals	Crop protection products	INR 2,192 Cr	INR 291 Cr	13.2%	60%
6	Gharda Chemicals	Agrochemicals, specialty pesticides	INR 3,088 Cr	INR 565 Cr	18.3 %	59%
7	UPL	Agrochemicals, industrial chemicals, chemical intermediates, specialty chemicals, and crop protection solutions	INR 9,641 Cr	INR 2,175	6.1%	-
8	Tagros	Crop protection chemicals	INR 1,744 Cr	INR 113 Cr	11.4%	90%
9	Sumitomo Chemical India	Crop Protection, Environmental Health, Professional Pest control and Feed	INR 2,434 Cr.	INR 206 Cr.	8.5%	8% (Excel crop care)
10	Meghmani organics	Pesticides, etc.	INR 1,624 Cr.	INR 193 Cr.	11.9%	69%

Competitive landscape of crop protection chemicals industry

List of competitors in crop protection chemicals market, 2019

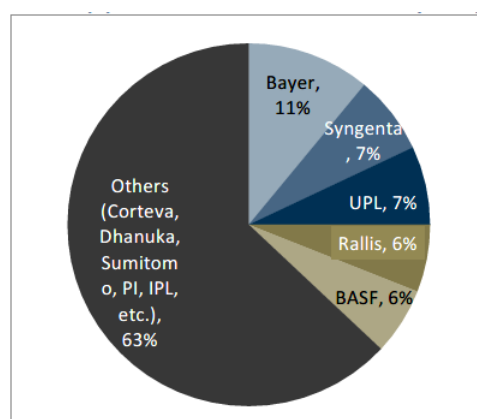
Multinational Companies

China National Corporation Ltd
Sumitomo Chemicals Co., Ltd
BASF SE
Yara International ASA
AMVAC Chemical Corporation
FMC Corporation
Bayer AG
Corteva Inc.

Indian Companies (listed)

UPL Limited
PI Industries Ltd
Jubilant Lifesciences Ltd
Dhanuka Agritech Ltd
Bharat Rasayan Ltd
Meghmani Organics Ltd
Rallis India Ltd
Indofil Chemicals Ltd

India crop protection chemicals market, by competitors, 2019



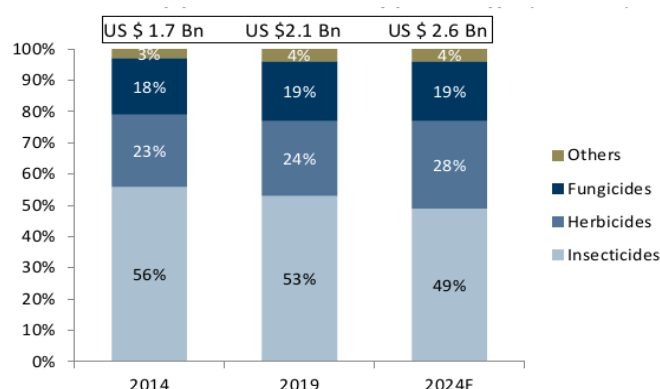
Source: Industry research

India crop protection market is highly fragmented with presence of more than 150 active ingredient manufacturers, more than 1,000 formulators and more than two lakh companies engaged in distribution. The highest market share held in the Indian crop protection chemicals market is by Bayer, accounting for 11% of the market share, followed by Syngenta, UPL and others.

Indian crop protection chemicals market segmentation - by product type

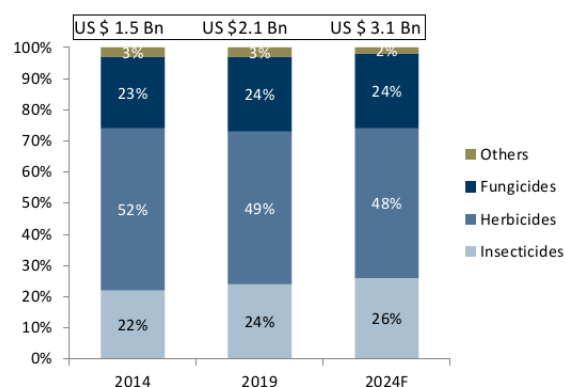
Insecticides contribute the highest market share in the Indian crop protection chemicals market accounting for approximately more than half of the total market. India has almost 10,000 types of plant eating insects. In the agriculture value chain, agrochemicals are the final external stimulus provided to the plants.

India crop protection market by product type (domestic), 2014-2024F



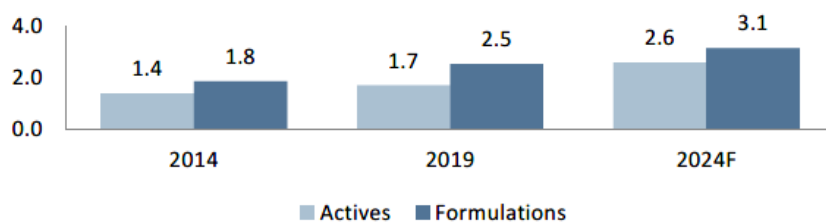
Source: FICCI, Industry research

India crop protection market by product type (exports), 2014-2024F



Source: FICCI, Industry research

Indian crop protection chemicals market split by business segments, 2014-24F (US\$ billion)



Source: Frost & Sullivan research

Agrochemical technical manufacturing in India is strongly driven by export led demand and contract manufacturing in India. India is looked upon for its sizeable skilled labour force capable to possess stronger research and development capabilities and rapidly changing infrastructure developments in India.

Demand drivers for technical market

Supply chain interruptions with China on account of the COVID-19 crisis. In order to reduce the import dependence on China, several initiatives, such as, Aatma-Nirbhar Bharat, have been adopted by Government of India. This is expected to increase the domestic manufacturing over the next half decade.

Incentive program by the Government of India for manufacturing of actives. Similar incentive schemes were also launched by the Ministry of Pharmaceuticals, Government of India, for the domestic production of key starting materials for bulk drugs used in pharmaceutical industry. These incentive programs were expected to increase the domestic manufacturing of agrochemical technical in India.

Increase in export led demand. Increase in custom synthesis manufacturing/contract research and manufacturing service activities in India has helped the increase in domestic manufacturing of pesticide technical materials. Players from developed countries are looking to collaborate with active ingredient manufacturers in India, leveraging cost effective manufacturing supported by cheaper labour force and stronger research and development capabilities.

Need for increase in crop yield and crop mix. India is the largest producer of generic pesticides and is utilizing its position as a low-cost producer to increase exports. In India, only approximately 20% to 25% of the cultivated area is treated with pesticides, also the per capita consumption is approximately 300 to 400 grams per hectare as against that of 3,000 grams per hectare in developed countries. As a result, there exists a significant scope to increase consumption. Indian agriculture has the task of feeding and clothing 16% of the world's population on less than 2% of the total landmass. With already maximum gross cultivated area, the scope for bringing new areas under cultivation is severely limited. Thus, the growth will have to come from increased productivity.

There is a shift in cropping pattern from food grains to fruits and vegetables as farmers are seeing more value gain under this segment, hence, the pesticide consumption has increased and is expected to further increase with the growth in horticulture.

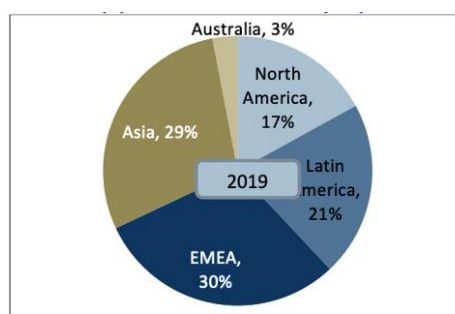
Demand drivers for formulation market

- There is a significant increase in the global food demand on account of growing population. There is an urgent requirement to increase crop yields, which requires higher investments in improving research and development capabilities in crop protection.
- India's position as the fifth largest exporter of agrochemicals and lower cost of production in India compared with other exporting countries.
- Favorable initiatives by the Government of India, including new legislations on farms and schemes, such as, Fasal Bima Yojna and Kisan Credit Card.
- Promotion of higher margin businesses, such as, horticulture and floriculture, is likely to ensure that farmers are more prone to use crop protection measures.

Indian crop protection chemicals market segmentation - by trade

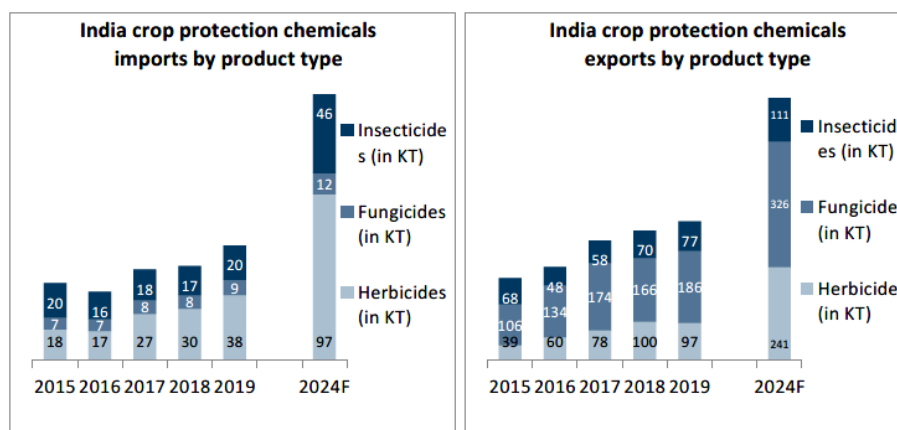
India is a net exporter of crop protection chemicals, with approximately 50% of all its production being exported to other countries. The primary markets of export constitute the United States, Brazil, Netherlands and France.

Indian crop protection market – by export destinations, 2014-2024



Source: FICCI, Industry research

Indian crop protection chemicals trade - segmented by product type, 2019



Source: ministry of commerce, GOI

India is currently the fourth largest producer of crop protection chemicals internationally. Multinationals are taking advantage of cost effective manufacturing in India along with availability of skilled labour. India is expected to emerge as an export hub for the crop protection chemicals manufacturing, which will be exported to developed and developing economies internationally.

Indian crop protection chemicals market trends and drivers

100% foreign direct investment (“**FDI**”) is also allowed in agriculture in India. In addition, increase in demand for food grains with high emphasis on food grain self-sufficiency is promoted by the Government of India, which is expected to drive crop protection chemicals market in India favourably.

Few of the demand drivers of crop protection chemicals market are as follows:

Government initiative to double farmer’s income. There have been budgetary provisions announced in the recent budget 2020-2021 for farmer’s welfare where ₹ 142,762 crore were allocated to the Ministry of Agriculture and Farmer’s Welfare. This allocation was 30% higher than the revised estimate for 2019-2020.

Increase in horticulture and floriculture production. Fruits and vegetables contribute approximately 90% of the total horticulture produce in India. Government of India has been promoting export of horticulture products, which is expected to increase farmer’s income. In order to avoid horticulture crop losses, crop protection chemicals market is expected to increase over the next half decade. Horticulture is a higher margin business and therefore, is expected to contribute more to the growth of crop protection chemicals. Floriculture is another segment which is similar to horticulture, in terms of providing growth avenues resulting in increased demand of crop protection chemicals in India.

Increasing shortage of labour. Urban population in India is expected to exceed 40% by 2030, according to a survey conducted by United Nations Department of Population. Urban population is further expected to reach 50% in India by 2050. Increasing urbanization has led to shortage of labour in the rural agriculture sector. This has further led to increase in wages for the labour. Due to this change, herbicidal usage will be boosted in order to improve the soil fertility, as against the traditional usage of labour for herb removal from farms.

Increasing food demand due to increasing population. India population is estimated at 1.35 billion in the year 2019 which is almost 18% of the world population. This population is growing with the rate of 1.32% per year, according to the World Bank sources. For such an increase in population, food security is important. In order to meet the food demand, usage of crop protection chemicals would be increased in the next half decade.

Shrinking agriculture land. Due to improved urbanization, agricultural land is reducing. This reduction in agricultural land is demanding the improved crop production per hectare. In order to have improved crop yield in the shrinking agricultural land, crop protection chemicals, such as, herbicides, insecticides and fungicides, is expected to be used extensively.

Increased usage of bio-pesticides. The current market size of Indian bio-pesticides is less than 4% of the total crop protection market in India. This approximately equals to a market size of less than US\$ 84 million. The bio-pesticide market is expected to experience a double-digit growth in India in the next five years (2019 to 2024). Bio-pesticides are pesticides with biodegradable content which avoids crop losses by means of not affecting the soil fertility. These bio-pesticides are experiencing the increase in the usage due to large scale awareness and promotion funded by the Government of India.

India formulations market trends and drivers

The primary drivers for India's formulations markets are:

- Demand for food, fuel and fibre for a growing population and growing prosperity. India's GDP grew 7% to 8% in the last decade and is expected to continue growing. This resulted in demand for more food and a more diverse diet rich in protein from sources, such as, pulses, poultry, meat, milk and dairy products.
- Supply increase through high-end technologies in areas, such as agricultural inputs and machinery, post-harvest technology, warehousing and storage.
- Enablers, such as positive government policies on minimum support prices and export encouragement in select agriculture commodities, accelerating credit supplies and expansion in inclusive financial networks.

Farm mechanisation: A key growth driver

The farm equipment market in India is estimated to be approximately US\$ 3 billion in Fiscal 2019 and expected to reach approximately US\$ 18 billion by Fiscal 2025, registering a CAGR of approximately 6% between Fiscal 2019 and Fiscal 2025. With the labour shortage and increasing wages, farm mechanisation has become more affordable and viable in India.

Though the level of farm mechanization in India accounts for approximately 40% to 45% in 2019, within states, such as, Uttar Pradesh, Haryana and Punjab, at a relatively higher penetration rate, this level of mechanization is still considered to be low as compared to the countries such as, the United States, Brazil and China, accounted for 95%, 75% and 57%, respectively. While the farm mechanization level is still behind the major economies, India has experienced a growth rate in the agricultural machinery sales at a rate of 3.64% over the past few years. The agricultural machinery sales in India is likely to experience a growing trend in the future particularly attributing to factors, such as, increasing availability of farm power, unprecedented sales of tractors and power tillers, and positive outlook of institutional credit policies along with rising Government intervention to increase the rate of mechanization in India to meet the growing food demand.

Indian crop protection chemicals market regulatory framework

Pesticide Management Bill 2020

This bill is intended to promote the organic pesticides having stringent environmental regulations and sustainable agriculture effects. This bill received cabinet approval in February 2020 and had been tabled in the Parliament of India. After passage of the bill, even advertisements for the promotion of pesticides will be regulated by the Government of India and there would be significant penalties in case of any such violations.

Insecticides Act, 1968

The Central Insecticides Board and Registration Committee ("CIBRC") was formed in accordance with the Insecticides Act, 1968. The CIBRC regulates the pesticides usage in India and the procedures have been laid by the registration committee to, amongst others, register a pesticide in India and appeal against the non-registration or cancellation of pesticides license.

Proposed ban on 27 pesticides in India 2020

The Government of India has proposed to ban 27 pesticides in India for the import, manufacture, sale, transport, distribution and usage. These pesticides include insecticides, fungicides and weedicides: 2,4-D, acephate, atrazine, benfuracarb, butachlor, captan, carbendazin, carbofuran, chlorpyrifos, deltamethrin, dicofol, dimethoate, dinocap, diuron, malathion, mancozeb, methimyl, monocrotophos, oxyfluorfen, pendimethalin, quinalphos, sulfosulfuron, thiodicarb, thiophante methyl, thiram, zineb and ziram. These 27 banned pesticides are highly hazardous with potential to cause severe health problems, including, hormonal changes, carcinogenic, neurotoxic, reproductive and development health effect as well as environmental impacts, such as, higher toxicity level for bees.

The market size for these pesticides was ₹ 12,000 crore domestically and is expected to be replaced with other alternative pesticides which are less severe to the human or animal or environmental cause. However, this is unlikely to be enforced on

exports from India and hence, companies focused on exports are less likely to be impacted. Strategy diversification in order to concentrate more on the exports market, particularly custom synthesis and manufacturing, has been adopted by the Indian companies.

Phasing of red triangle products

The scheme follows from the Insecticides Act of 1968 and the Insecticides Rules of 1971. The labelling follows a general scheme as laid down in the Insecticides Rules, 1971 and contains information, such as, brand name, name of manufacturer and name of the antidote in case of accidental consumption. A major aspect of the label is a colour mark which represents the toxicity of the material by a colour code. Present classification of insecticides followed in India under Insecticides rule 1971 is as follows:

Classification of insecticides	Medium Lethal dose by the oral route acute toxicity LD 50 mg/kg. body weight of test animal	Medium Lethal dose by the dermal route toxicity LD 50mg/kg Body weight of test animal	Colour identification band of the label	Remarks
1	2	3	4	5
1. Extremely Toxic	1-50	1-200	Bright Red	
2. Highly Toxic	51-500	201-2000	Bright Yellow	
3. Moderately Toxic	501-5000	2001-20000	Bright Blue	
4. Slightly Toxic	More than 5000	More than 20000	Bright Green	No product get this colour as no test done for LD 50 Dermal 20,000.

Source: F&S Report

The Indian industry has shifted in the last 20 years in terms of gradual phasing out of red triangle products.

Red triangle classification Major molecules

Extremely toxic	Monocrotophos, zinc phosphide, ethyl mercury acetate and others
Highly toxic	Endosulfan, carbaryl, quinalphos and others
Moderately toxic	Malathion, thiram, glyphosate and others
Slightly toxic	Maconzeb, Oxyfluorfen, mosquito repellent oils and liquids, and other household insecticides.

Companies with no 'red triangle products' get benefited from their products portfolio, being less harmful to the environment. These companies' risks less accountabilities, coming out of uncertainties over future ban on red triangle products.

Challenges faced during registration of molecules in India

The key challenges while registering agro-chemical molecules in India are:

- A significant amount of time (approximately over three to four years);
- *Voluminous documentation and disclosures required.* With new registration guidelines coming into effect, import registrations have become more difficult. However, this provides an opportunity for genuine suppliers as the entry of spurious manufacturers becomes more difficult.

India's Advantage over China

China-United States Trade War: United States being one the key markets for both actives and formulations would actively seek alternates for most products, and also look at reducing dependency on China to a large extent. This is expected to increase the trade with India and has been considered as the most suitable alternate.

Post COVID- 19 Sentiments: With various uncertainties surrounding China, the prevailing international market conditions has become more favourable for India in its desire to be a manufacturing hub and preferred destination for sourcing.

China plus one strategy

‘China plus one’ is a business strategy that avoids over investing in one country, i.e. China, and promoting diversification of business in other countries. This is primarily adopted by various multinationals who are undertaking proactive steps in avoiding over-dependence on China for their manufacturing operations.

India – Racing Ahead of China

Exports are increasing as India is becoming a central manufacturing hub for such chemicals. Tightening of environmental norms, for example REACH Regulations, in developed countries and the slowdown of China are contributing to the growth of exports.

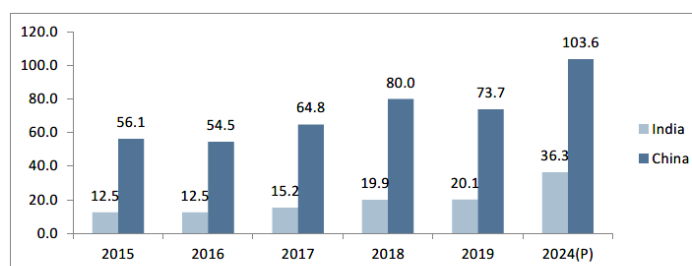
Stringent environment norms

The Chinese government started implementing stricter environmental protection norms from January 2015. In 2018, 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. China’s Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals.

In 2016, the Government of Jiangsu, China, issued a development plan for the Yangtze River Delta Economic Belt. As per the plan, the government set a goal of shutting down or relocating nearly 1,000 chemical plants, which use older technology or are located near the Yangtze River, within three years (2018 – 2020). By 2020, 134 chemical firms are expected to shut down, be relocated or renovated. No factories will be allowed within 1 kilometer of the river. The Chinese government has also mandated the construction of compulsory effluent treatment plants and imposed green tax on the chemicals industry to combat pollution. As a result, the overall cost of production is likely to go up with capital expenses incurred towards effluent treatment as well rise in compliance cost. The cost is expected to be higher for the smaller non-integrated plants operated by medium and small scale players. This is likely to impact production in the medium term and thereby overall chemical exports.

As a result, Chinese chemical companies are witnessing a rise in capital expenditure and operating expenses, making them less competitive in the export market.

Chemicals Exports Trend – India versus China, US\$ billion: (2015 - 2019)



India CAGR (2019 – 24): 13%

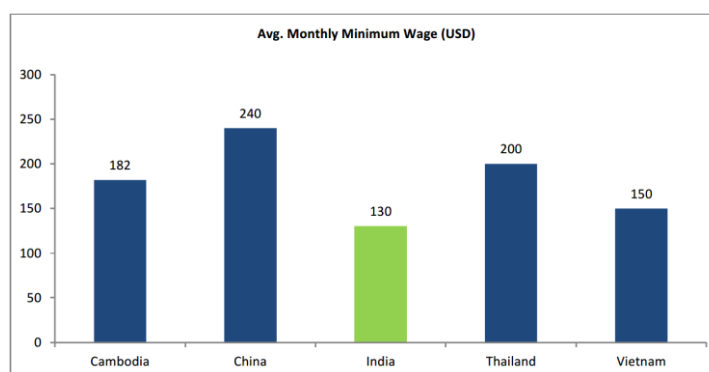
China CAGR (2019 – 24): 7%

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

Cost and Availability of Skilled Labour in India and China

The labour cost (hourly cost of compensation) in China was lower than that of India till 2007. However, over 2005-2015, the average labour cost in China increased at a CAGR of approximately 19% to 20% as compared to a CAGR of approximately 4% to 5% in India. Further, over the last five years, this cost has more than doubled compared with India, rendering Chinese manufacturers’ uncompetitive vis-à-vis India in terms of labour cost.

Monthly Minimum Wage (US \$)



Low corporate tax rate

For manufacturing firms incorporated after October 1, 2019 and commencing operations before March 31, 2023, the corporate tax rate has been reduced from 25% to 15% (this will amount to an effective tax rate at near 17%, including surcharge and cess). This lower tax rate has allowed India to compete with Association of Southeast Asian Nations's emerging economies, such as, Vietnam, Thailand and Indonesia, for foreign investment more effectively. India has an edge over these nations due to its larger market, cheap labour pool and availability of labour.

Ease of business

India's ranking increased to 63 from 130 in 2016. India improved its rank in six out of 10 indicators with the biggest change in the 'construction permits' and 'trading across borders'. Five years ago, China ranked 90th in the report. While in 2019, its ranking climbed to 31st.

External Debt

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

Infrastructure developments in India

In Union Budget 2020-2021, the Government of India has provided a significant push to the infrastructure sector by allocating ₹ 1,69,637 crore (US\$ 24.27 billion) to enhance the transport infrastructure. The Government of India allocated ₹ 111 lakh crore (US\$1.4 trillion) under the National Infrastructure Pipeline for Fiscal 2019 to Fiscal 2025. Sectors, such as, energy (24%), roads (18%), urban (17%) and railways (12%), amount to approximately 71% of the projected infrastructure investments in India. The Government of India is expected to invest highly in the infrastructure sector, primarily highways, renewable energy and urban transport.

Industrial corridor developments in India

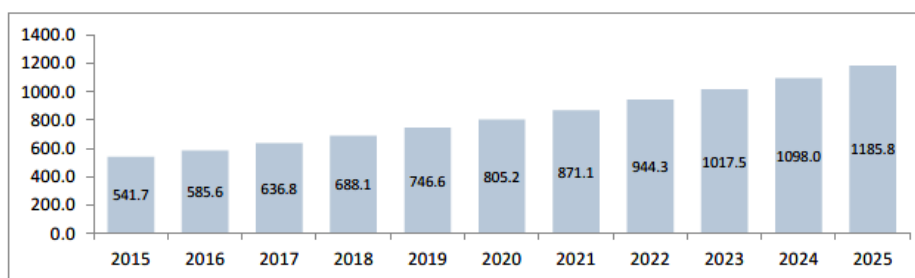
The 11 industrial corridors are expected to be developed by Fiscal 2025 in India. The proposed North South East-West and East Coast Dedicated Freight Corridors will further supplement the existing transportation support for the corresponding Industrial Corridors. To summarize, industrial corridors are expected to be developed with greater pace over the next half decade in India.

INDIA PHARMACEUTICAL INTERMEDIATE INDUSTRY

INDIA API INDUSTRY OVERVIEW

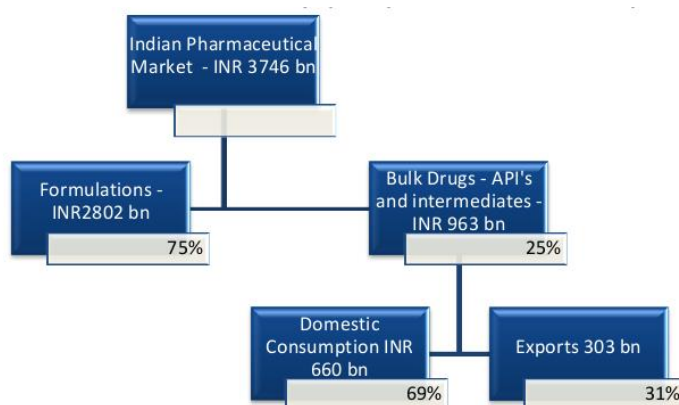
APIs are substances or a mixture of substances intended to be used in the manufacture of a drug (medicinal) product and that when used in the production of a drug becomes an active ingredient of the drug/ product. The Indian API market has shown steady growth of 8% since Fiscal 2016 and is expected to further expand due to an increased focus on new geographies in the global pharmaceutical industry, the change to the specialty segment and strong domestic demand. More than 30% of the APIs manufactured in India are exported to countries such as US, UK and Japan. The market for pharmaceutical intermediates in India for 2019 was estimated to be approximately US\$ 4.5 billion, growing at a CAGR of 8% during 2014 to 2019.

Indian API Industry size (₹ billion): (2015 and 2025F)



Source: Frost and Sullivan analysis

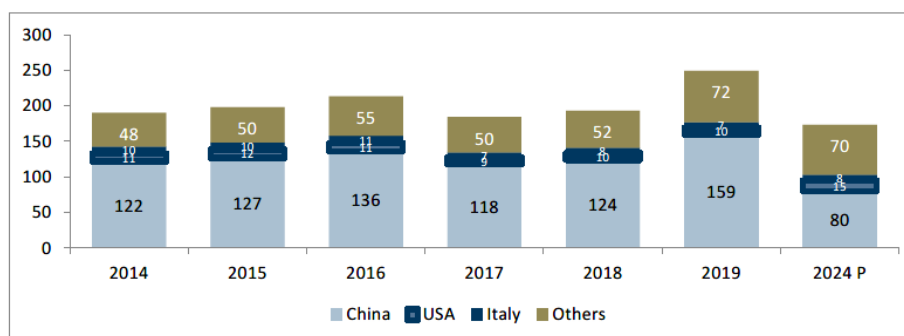
Indian API Industry Split Exports vs domestic consumption, 2019



Source: ASSOCHAM, Frost and Sullivan analysis

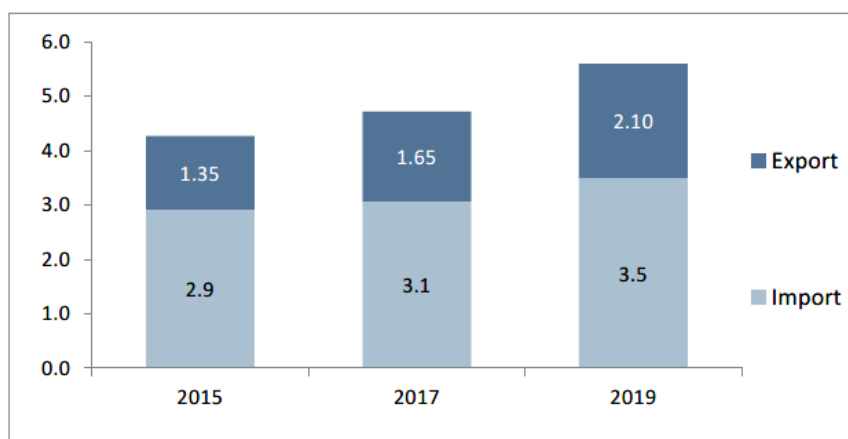
At a CAGR of approximately 10% from Fiscal 2016 to Fiscal 2024, the Indian API domestic consumption market is expected to grow substantially. In addition, the Government of India is taking various initiatives to increase the industry, such as, allocating land in different states to develop API mega parks and increasing investment in research and development.

India's API import by Country, 2014-2024F, ₹ billion



Source: CII, Frost & Sullivan Analysis

India Intermediates, Trade, 2015, 2017, 2019, US\$ billion



*Source: Frost & Sullivan, World Trade Statistics & HSIE Research, *Estimates from speciality chemicals trade based on Primaries with experts*

The Government of India's proposition to support local manufacturing of many possible raw materials and intermediates especially in the pharmaceutical space will enhance the growth in domestic market and reduce imports, especially from China.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 25 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations” on pages 27 and 237, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the six months ended September 30, 2019 and 2020 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with 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, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see “Financial Statements” on page 179. Our Company’s Fiscal commences on April 1 of a year and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “our Company”, “we”, “us” or “our” is a reference to India Pesticides Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Independent Market Report on Agrochemicals & Pharmaceutical Intermediates” dated February 2021 (the “F&S Report”), prepared and issued by Frost & Sullivan commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are an R&D driven agro-chemical manufacturer of Technicals with a growing Formulations business. We were among the fastest growing agro-chemical companies in India in terms of volume in Fiscal 2020 (Source: F&S Report). We are also the sole Indian manufacturer and among top five manufacturers globally for several Technicals, such as, Folpet and Thiocarbamate Herbicide (Source: F&S Report). Since commencing our operations in 1984, we have diversified into manufacturing herbicide and fungicide Technicals and active pharmaceutical ingredients (“APIs”). We also manufacture herbicide, insecticide and fungicide Formulations.

We have a strategic focus on R&D and our R&D capabilities include two well-equipped in-house laboratories registered with the DSIR. Our efforts are led by a dedicated R&D team that comprises PhDs, masters graduates in chemistry and a biotechnological engineer. Our R&D efforts have led to development of processes to manufacture three generic off-patent Technicals since Fiscal 2018 and we are currently in the process of developing processes for certain Technicals, including two fungicides, two herbicides, two insecticides and two intermediates.

Our Technicals are primarily exported and our revenue generated from exports contributed to 62.12% and 65.73% of our revenue from operations in Fiscal 2020 and the six months ended September 30, 2020, respectively. As of September 30, 2020, our Technicals are exported to over 20 countries including Australia and other countries in Europe, Asia and Africa. Our Formulations products are primarily sold domestically through our extensive network of dealers and distributors. We have a diverse customer base that includes crop protection product manufacturing companies, such as, Syngenta Asia Pacific Pte. Ltd, UPL Limited, ASCENZA AGRO, S.A., Conquest Crop Protection Pty Ltd, Sharda Cropchem Limited and Stotras Pty Ltd. We have established relationships with our customers many of whom have been associated with our Company for over 10 years.

Our core focus is on quality and sustainability and none of our key Technicals are classified as ‘red triangle’ or highly toxic products. As of the date of this Draft Red Herring Prospectus, we have obtained registrations and license to manufacture from the CIBRC and the Department of Agriculture, Uttar Pradesh for 22 agro-chemical Technicals and 124 Formulations for sale in India and 27 agro-chemical Technicals and 34 Formulations for export. For our APIs, as of the date of this Draft Red Herring Prospectus, we have obtained a license for manufacturing two drugs for sale at Dewa Road from the Drug Licensing and Controlling Authority under the Drugs and Cosmetics Rules, 1945.

We have two distinct operating verticals, namely, (i) Technicals; and (ii) Formulations.

Technicals: We manufacture generic Technicals that are used in the manufacture of fungicides and herbicides as well as APIs with applications in dermatological products.

Certain key fungicide Technicals we manufacture include: (i) Folpet, used to manufacture fungicides that control fungal growth at vineyards, cereals, crops and biocide in paints; and (ii) Cymoxanil, used to manufacture fungicides that control downy mildews of grapes, potatoes, vegetables and several other crops. Major herbicide Technicals we manufacture include

Thiocarbamate herbicides that have application in field crops, such as, wheat and rice, and are used globally. The APIs we manufacture have anti-scabies and anti-fungal applications.

In Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, revenues from our Technicals segment amounted to ₹ 1,794.63 million, ₹ 2,566.59 million, ₹ 3,832.81 million, ₹ 2,556.60 million, respectively, which constituted 70.94%, 75.43%, 80.19% and 77.52%, respectively, of our revenue from sale of products.

Formulations: We manufacture and sell various formulations of insecticides, fungicide and herbicides, growth regulators and Acaricides, which are ready-to-use products. As of September 30, 2020, we manufacture over 30 Formulations that include *Takatvar, IPL Ziram-27, IPL Dollar, IPL Soldier and IPL Guru*.

In Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, revenues from our Formulations segment amounted to ₹ 735.28 million, ₹ 836.01 million, ₹ 946.77 million, ₹ 741.31 million, respectively, which constituted 29.06%, 24.57%, 19.81% and 22.48%, respectively, of our revenue from sale of products.

We currently have two manufacturing facilities located at UPSIDC Industrial Area at Dewa Road, Lucknow and Sandila, Hardoi in Uttar Pradesh, India that are spread across over 25 acres. As of September 30, 2020, our aggregate installed capacity of our manufacturing facilities for agro-chemical Technicals was 19,500 MT and Formulations was 6,500 MT. Our manufacturing facilities are equipped with modern plant and machinery capable of producing quality Technicals and Formulations. Our manufacturing facilities at Dewa Road are ISO 9001: 2015, ISO 14001:2015, ISO 10002: 2018, and ISO 45001: 2018 (OHSAS) certified and at Sandila are ISO 9001: 2015, ISO 14001: 2015, ISO 10002: 2018 and OHSAS 18001: 2007 certified for quality management system, environment management system, customer satisfaction and complaint management system, and occupational health and safety management system, respectively. Each of our manufacturing facilities has the ability to manufacture a wide range of products, which provides us with the flexibility to cater to changing demands in the market, thereby reducing dependence on any one major product category. We also have pilot facilities to test commercialization of our products. Our facilities are periodically audited and appraised by our customers including various multinational corporations. We have also commenced construction of two manufacturing units at our Sandila facility, which are proposed to be used for herbicide Technicals.

Our Promoter, Chairman and Non-Executive Director, Anand Swarup Agarwal has over 35 years of experience in the manufacturing sector. Our senior management team that includes, Dheeraj Kumar Jain, Chief Executive Officer and Satya Prakash Gupta, Chief Financial Officer have significant experience and have also been associated with our Company for over 20 years. We have a strong employee base comprising of 647 employees, as of September 30, 2020 with weighted average attrition rate of 6.19% and 6.07% (based on age demographics) in Fiscal 2020 and the six months ended September 30, 2020, respectively.

Our revenue from operations for Fiscals 2018, 2019, 2020 and the six months ended September 30, 2020 was ₹ 2,532.00 million, ₹ 3,406.88 million, ₹ 4,796.27 million, ₹ 3,338.44 million, respectively. Our EBITDA for Fiscal 2018, 2019, 2020 and the six months ended September 30, 2020 was ₹ 580.49 million, ₹ 706.34 million, ₹ 1,036.56 million, ₹ 1,027.04 million, respectively while our EBITDA margin was 22.93%, 20.73%, 21.61% and 30.76%, respectively, for similar periods. Our Return on Equity for Fiscals 2018, 2019 and 2020 and the six months ended September 30, 2020, was 22.76%, 23.46%, 27.48% and 43.93%, respectively. Our Profit After Tax was ₹ 327.54 million, ₹ 438.71 million, ₹ 705.85 million and ₹ 722.95 million for Fiscal 2018, 2019, 2020 and the six months ended September 30, 2020, respectively, while our Profit After Tax margin was 12.80%, 12.68%, 14.41% and 21.44%, respectively for similar periods.

On account of the COVID-19 pandemic, India had imposed a nationwide lockdown on March 24, 2020. However, since manufacturing of pesticides was determined to be an essential industry pursuant to the Ministry of Home Affairs order dated March 27, 2020, we were allowed to resume operations in a phased manner. Accordingly, both of our facilities restarted operations in a phased manner after April 15, 2020, subject to certain adjustments in working patterns, social distancing measures and additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. Despite of the impact of the COVID-19 pandemic, our revenue from operations increased by 51.92% from ₹ 2,197.55 million in the six months ended September 30, 2019 to ₹ 3,338.44 million in the six months ended September 30, 2020. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures about Market Risk – Risk due to outbreak of the COVID-19 pandemic*” on page 258.

Strengths

Strong R&D and product development capabilities

We have substantial experience in undertaking R&D activities as part of our manufacturing operations. Our R&D places significant emphasis on identification of appropriate complex Technicals that are suitable for commercialization, improving our production processes and the quality and purity of our present products and manufacturing new off-patent products. Our R&D team comprises PhDs, masters graduates in chemistry and a biotechnological engineer. We have two well-equipped R&D laboratories, each of which is registered with the DSIR. Our laboratories are equipped with sophisticated equipment that include

gas chromatography–mass spectrometry and high-performance liquid chromatography machines, particle size analyzers, PH meters, Karl Fischer titrators, conductivity meters, melting point apparatus and water purification systems. Our analytical capabilities include critical quality control measures, non GLP-5 batch analysis, stability studies, method validation and method development. Our R&D efforts also focus on determining the optimal production process for the Technicals we manufacture and the reduction of energy consumption.

We continuously seek to innovate to develop alternate production processes for our existing Technicals and for Technicals that are expected to go off-patent in the near future. As part of these measures, we undertake pilot studies of new technologies. We also evaluate and incorporate feedback received from our customers to manufacture Technicals. We conduct extensive research and development on Technicals at a laboratory scale to generate necessary analytical information. As a part of our broader R&D efforts, we also test commercial production of the Technicals at our pilot facility. Our R&D enables us to identify products that are higher margin products and that require specialized manufacturing and handling capabilities. We believe that our ability to manufacture such products is among the key factors that has contributed to our growth over the years. Since 2018, our R&D efforts have resulted in the development of processes for products that are not highly toxic and commercialization of three Technicals, the sales of which contributed to 39.43% and 55.37% of our revenue from operations in Fiscal 2020 and in the six months ended September 30, 2020, respectively. We are currently in the process of developing processes for certain Technicals, including two fungicides, two herbicides, two insecticides and two intermediates. We have also commenced construction of two manufacturing units at our facility at Sandila that are proposed to be used for herbicide Technicals.

Diversified portfolio of niche and quality specialized products

As a result of our extensive R&D efforts, we have, over the years developed a niche portfolio of agro-chemical products. We have diversified our product portfolio over the years and have grown into a multi-product manufacturer of Formulations, herbicide and fungicide Technicals as well as APIs. This diversification across products and sectors has allowed us to de-risk our business operations.

Our product portfolio comprises primarily of products that we manufacture in-house allowing us to cater to a wide range of customers in both domestic and international markets. As of the date of this Draft Red Herring Prospectus, we have obtained registrations and license to manufacture from the CIBRC and the Department of Agriculture, Uttar Pradesh for 22 agro-chemical Technicals and 124 Formulations for sale in India and 27 agro-chemical Technicals and 34 Formulations for export. For our APIs, as of the date of this Draft Red Herring Prospectus, we have obtained a license for manufacturing two drugs for sale at Dewa Road from the Drug Licensing and Controlling Authority under the Drugs and Cosmetics Rules, 1945. Our products are exported to regulated markets including Australia and other countries located in Europe, Africa and Asia and have received product registrations either through our customers or by us. Our Technicals portfolio comprises over eight export grade herbicides, fungicides and APIs, as of September 30, 2020. We commenced manufacturing of Technicals for herbicides in 2018 that are exported which has led to an increase in our EBITDA margins from 20.73% in Fiscal 2019 to 21.61% in Fiscal 2020 and was 30.76% in the six months ended September 30, 2020. Our exports limit the impact on us of cyclical and monsoon trends in the agriculture industry. Our diversified product portfolio allows for limited dependence on individual products and helps counter seasonal trends that are, in particular, a challenge for the agriculture industry in India. We are also the sole Indian manufacturer and among top five globally for several Technicals including, Thiocarbamate herbicide and Folpet (*Source: F&S Report*). Our Formulations business includes a variety of herbicides, fungicides and insecticides and includes over 30 products, as of September 30, 2020, that we sell primarily in India. Our products are primarily characterized by their quality, levels of toxicity that are not high which we believe is one of our core strengths and none of our key products that are a part of our Technicals segment are classified in the ‘red triangle’ category. This also helps us to avoid uncertainties associated with these products including the use or import of such products being banned by regulators in India and abroad. For further information, see “*Industry Overview*” on page 111.

Long-term relationship with key customers

We have developed strong and long-term relationships with various multinational corporations that has helped us expand our product offerings and geographic reach for our Technicals business.

India is currently the fourth largest producer of crop protection chemicals in the world. Multinationals across the globe are taking advantage of cost-effective manufacturing in India along with availability of skilled labour. India is expected to emerge as an export hub for the crop protection chemicals manufacturing, which will be exported to developed and developing economies around the world. Our major customers include multinational corporations that look to collaborate with active ingredient manufacturers in India, leveraging their cost effective manufacturing supported by cheaper labour force and stronger R&D capabilities. (*Source: F&S Report*) In Fiscal 2020 and the six months ended September 30, 2020, our revenue generated from exports accounted for 62.12% and 65.73%, respectively, of our revenue from operations in such periods.

Our customer relationships are led primarily by our ability to manufacture complex Technicals that go off-patent in a cost effective, safe and environmentally conscious manner as well as our ability to meet stringent quality specifications. We undertake exports of our products, and either our customers get our products registered with the relevant regulatory authority or we register our products with the respective regulatory authority directly. The name of our Company appears on the label of the package of the product as the “source” or “manufacturer” of these products meant for sale in a country. In addition, prior to

placing orders, there is an audit and review process undertaken by certain of our customers. Several of our customers have been associated with our Company for over 10 years and certain of our key customers include crop protection majors, such as, Syngenta Asia Pacific Pte. Ltd. and UPL Limited. Revenues generated from sales to our top 10 customers constitute a significant proportion of our revenues and represented 58.59% and 69.27% of our revenue from operations in Fiscal 2020 and in the six months ended September 30, 2020. We are able to address requirements of our multinational corporation customers who have diverse operations spread across various segments and geographies and are therefore able to mitigate risks associated with a particular geography or industry. Our long term relationships have allowed us to plan our capital expenditure (including through provisions in certain customer agreements entitling us to an enhancement in price for future offtake of our products by the customer if stipulated minimum quantities are not purchased), enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base, thereby ensuring a competitive cost structure to achieve sustainable growth and profitability.

Advanced manufacturing facilities with focus on environment, health and safety

Our manufacturing facilities at Dewa Road, Lucknow and Sandila, Hardoi in Uttar Pradesh have an aggregate installed capacity for agro-chemical Technicals of 19,500 MT and Formulations of 6,500 MT, as of September 30, 2020, and are spread across over 25 acres. Further, we have obtained permission from the MoEF to expand our manufacturing capacity at Sandila to up to 30,000 MT. Our manufacturing facilities at Dewa Road are ISO 9001: 2015, ISO 14001:2015, ISO 10002: 2018, and ISO 45001: 2018 (OHSAS) certified and at Sandila are ISO 9001: 2015, ISO 14001: 2015, ISO 10002: 2018 and OHSAS 18001: 2007 certified for quality management system, environment management system, customer satisfaction and complaint management system, and occupational health and safety management system, respectively. An audit and review process is also undertaken by certain of our customers, which may involve inspection of our manufacturing facilities and equipment, review of the manufacturing processes and raw materials, technical review of the specification of the proposed product, review of our logistical capabilities, and inspections and reviews of prototypes of the product. The finished product delivered by us is further subject to laboratory validation by certain customers. In addition, the Department of Agriculture, Uttar Pradesh also makes periodic visits to inspect the infrastructure facilities available at our manufacturing facilities as well as our agro-chemical Technicals and Formulations.

Both our facilities are equipped with sophisticated equipment and machinery that enables us to manufacture quality technical grade products and formulations and helps minimize the number of employees required to operate them, thereby reducing costs. Each of our facilities has the ability to manufacture a wide range of products and allows us the ability to address the requirements of customers. The technological processes we utilize at our facilities have been developed on the basis of our R&D efforts.

We have dedicated teams for pollution prevention and recovery of by-products. Our manufacturing processes contribute towards reducing raw material consumption, solvent consumption and water consumption resulting in reduced effluent and solid hazardous waste. Our manufacturing units have implemented water re-cycling systems and have become zero discharge units. We have also installed online monitoring system at our facilities. Solid hazardous wastes are sent to a common hazardous waste treatment and disposal facility. We are committed to safeguard the health and safety of our employees. To this end, we conduct periodic preventive maintenance of equipment at our facilities. Our employees and workers are trained in the operation and maintenance of plant and equipment and those whose duties involve the handling of chemicals are also educated on safety methods for handling chemicals. Pre-employment and routine medical examinations are carried out to ensure the health of all employees. We also review the effectiveness of the safety systems at the facilities as well as assess safety risks and evaluate for improvement.

We have historically made significant investments to increase our manufacturing capacity and invested ₹ 118.82 million, ₹ 72.33 million and ₹ 308.37 million in Fiscals 2018, 2019 and 2020. We are currently in the process of constructing two manufacturing units at our facility at Sandila that are proposed to be used for herbicide Technicals. Once operational, the proposed facilities are expected to expand our Technicals manufacturing capacity.

Strong sourcing capabilities and extensive distribution network

We source our primary raw materials from sources within and outside India and have developed relationships with multiple vendors for our major raw materials to ensure timely delivery and adequate supply. We have had long-standing business relations with our vendors. This reduces our dependence on a single or limited number of suppliers. Our raw materials imported from China as a percentage of total raw material purchases was 22.46% and 28.44% in Fiscal 2020 and in the six months of September 30, 2020. In Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, 73.68%, 64.98%, 65.44% and 63.96% of our raw materials were sourced locally. We believe that our ability to procure raw material domestically enables us to withstand volatility in raw material prices and ensures continuous supply for our operations. Our vendor selection is based on pre-determined criteria and we ensure that all raw materials procured meet stringent regulatory and quality checks. We typically hold a minimum inventory of twenty days' supply of raw materials. Our ability to source raw materials directly from suppliers enables us to plan our production and allocate resources effectively.

We are focused on direct sales to our customers and leverage our existing relationship with them for the sale of our Technicals. For our Technicals, we have a dedicated sales team. Our team also provides dedicated customer service and after-sales services and grievance redressal. As part of our Formulations segment, we have a pan-India sales and distribution presence with a

dedicated sales force that provides customer service and undertakes product promotion through various channels including advertisements in print media, participation in industry conferences and exhibitions and interactions with farmers. Our business development efforts are led by experienced individuals in Europe and the United States whose primary responsibilities include identification of potential customers, marketing our products, facilitating sales in these regions and assisting with registration of our products. As of September 30, 2020, we have a network of over 20 sales depot consisting of branches, carrying and forwarding agents, and warehouses spread across 15 states in India and our distribution network comprised a number of dealers and distribution partners across India. We have a marketing team that coordinates with our dealer network on a regular basis to understand demand patterns and also offer them various incentive structures and fixed payment terms to grow our product sales.

Consistent track record of financial performance

We have demonstrated consistent growth in terms of revenues and profitability over the last three Fiscals. Our total revenue from operations increased by 89.43% from ₹ 2,532.00 million in Fiscal 2018 to ₹ 4,796.27 million in Fiscal 2020 and was ₹ 3,338.44 million in the six months ended September 30, 2020. We have witnessed consistent improvement in our balance sheet position over the last three Fiscals and our net worth has increased from ₹ 1,439.15 million in Fiscal 2018 to ₹ 2,568.39 million in Fiscal 2020 and was ₹ 3,291.34 million in the six months ended September 30, 2020. We have been able to maintain our debt position and our long term debt to equity ratio was 0.09, 0.09, 0.06 and 0.03 as of March 31, 2018, 2019 and 2020 and as of September 30, 2020. During Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, our ROCE was 34.45%, 32.33%, 35.82% and 28.78%, respectively, while our ROE was 22.76%, 23.46%, 27.48% and 43.93%, respectively. We believe that our strong operating ratios and our healthy debt equity ratio have allowed us to grow our operations and will allow us to pursue other growth opportunities and fund strategic initiatives. In addition, our EBITDA for Fiscals 2018, 2019, 2020 and the six months ended September 30, 2020 was ₹ 580.49 million, ₹ 706.34 million, ₹ 1,036.56 million, ₹ 1,027.04 million, respectively while our EBITDA margin was 22.93%, 20.73%, 21.61% and 30.76%, respectively, for similar periods.

Experienced promoters and strong management team

We are led by an experienced promoter and the Chairman and Non-Executive Director, Anand Swarup Agarwal with significant experience in the agro-chemical industry. Anand Swarup Agarwal has been associated with our Company since inception and has an experience of over 35 years in the agro-chemical manufacturing business. Dheeraj Kumar Jain, Chief Executive Officer, Satya Prakash Gupta, Chief Financial Officer and Ajai Kumar Sinha, General Manager – Formulation Marketing, each have been associated with our Company for over 20 years. Under their leadership, we have been able to expand our operations and established a significant presence in India.

We are assisted by experienced team of personnel including an organic chemist, an agronomist, a project advisor, and advisors on environmental and toxicological studies. Their industry experience has enabled us to anticipate and address market trends, manage and grow our operations including expanding globally, enhance our manufacturing capabilities, leverage customer relationships, innovate continuously and respond to changes in customer preferences. We will continue to leverage on the experience of our management team and their understanding of the specialty chemicals and pharmaceutical industries in order to take advantage of current and future market opportunities.

Strategies

Continue to focus on R&D and process innovation to expand our product portfolio, grow customer base and revenue share with existing customers

We intend to continue to expand our product portfolio by manufacturing complex off-patented Technicals. Between 2019 and 2026, 19 Technicals are expected to go off patent protection and as a result, the demand for these Technicals globally is expected to increase, particularly in regulated markets (*Source: F&S Report*). With a number of products coming off patent, we believe there will be significant opportunities to develop a number of off-patent/generic active intermediates. We intend to continue to leverage our R&D capabilities and manufacturing expertise and focus our investment in process innovation. In particular, we plan to continue to focus on investing in automation, modern technology and equipment to continually improve the processes to manufacture our products and address changing customer preferences.

We aim to increase our market share both in the Technicals and Formulations segments and we expect to launch new products relating to these segments in the near future. With growing chemical-resistant crops, there is a growth in the use of agro-chemicals usage too that acts as a driver for the crop protection chemicals industry. However, a downside being that there are instances where weeds or insects become resistant to such chemicals (*Source: F&S Report*). We are in the process of manufacturing products that we believe will be high value and will be able to address resistant and unwanted pests and diseases.

Going forward, we intend to continue to leverage our sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers and expand our customer base. We intend to focus on leveraging our relationships with our customers to improve our existing products and also increase the number of Technicals that we currently manufacture for such customers. In addition to the periodic audits undertaken by our customers of our manufacturing facilities, we also intend to facilitate additional audits to assure them of the quality, safety standards and certifications in respect of our business. As of September 30, 2020, we export a significant portion of our products

to various international markets, which include over 20 countries globally. Exports have been an important part of our growth and we intend to continue to focus on sales in international markets. Between Fiscal 2018 and Fiscal 2020, the percentage of our revenue generated from exports increased from 34.58% of our revenue from operations to 62.12% of our revenue from operations. Export sales provide us with higher margins on our products. We intend to grow our sales within the existing geographies where our customers are present. Within India, we intend to expand our distribution network to cover additional states including states in south India and also increase the number of branches in states where we are currently present. We believe that with our extensive distribution network we will be able to supply our products directly to our customers in the geographies where they are present.

Focus on cost optimization

We intend to undertake a number of strategic initiatives including expansion of our existing manufacturing capacity that will allow us to benefit from economies of scale and improve process efficiency in our manufacturing process. We intend to review our product portfolio to either include or eliminate products based on costs incurred, profits generated and processes involved in manufacturing such products. Another key area that we intend to focus on will be to further reduce our dependence on import of raw materials and source our raw materials indigenously. We will identify suppliers of our key raw materials and enter into long-term supply contracts to ensure availability of such raw materials at viable prices. We will also endeavor to improve our production process, skill up-gradation of workers, modernization of equipment to further optimize the utilization of resources. We intend to analyze our existing material procurement policy and production processes to identify the areas of bottlenecks and take corrective measure wherever possible. We intend to further optimize order quantities for our raw materials. This will help us in improving efficiency and putting resources to optimal use.

Capitalize on industry opportunities

It is estimated that the world population is growing at the rate of 70 to 80 million per year. The growth in the world population has led to higher demand for food crops. This has led to greater crop production for which advanced agricultural practices are necessary. Using chemicals on land to fight diseases, insects, and weeds increases the productivity per acre or hectare, thus feeding the growing population. Owing to the growing population, there is also a threat that agricultural land area may have no or limited growth. With limited growth in land and high demand, there is a necessity to increase productivity and thus, chemicals are used to reduce damage to the crops of interest. The total agro-chemicals market is projected to grow from US\$ 62.5 billion in 2019 to US\$ 86 billion by the end of 2024. India has been ranked fourth globally in the production of agro-chemicals (crop protection chemicals/ pesticides) after USA, Japan and China. The Indian crop protection chemicals market is valued at US\$ 2.1 billion which is anticipated to grow at 4% in the next five years to US\$ 2.6 billion by 2024. (Source: F&S Report) Recent border issues with China have triggered the self-reliant India initiative, reducing the sourcing dependence on China by the Indian agro-chemical industry. The 'China plus one' strategy avoids overinvesting in one country, i.e. China, and promotes diversification of business in other countries. A number of multinationals are taking proactive steps to reduce dependence on China for their manufacturing operations and looking at India as an alternative option. (Source: F&S Report) We also intend to work with our existing customers to identify new products that will be mutually beneficial. With the proposed expansion of our manufacturing capacity, our R&D capabilities, our advanced manufacturing facilities, our experience in manufacturing products that adhere to stringent guidelines and our ability to register products in India and abroad, we believe we are well-positioned to capitalize on these opportunities in the agro-chemicals sector.

Grow our portfolio of Formulations products

We intend to grow our portfolio of Formulations products. For products that we intend to launch as part of our Formulations segment, we intend to undertake brand building activities including conducting dealer training, field demonstrations and product promotion through advertisements and other publications and participation in various national and international exhibitions. In addition, we believe that the growth in our Technicals segment will lead to a growth of our Formulations products. For instance, we manufacture Cymoxanil, a fungicide Technical that is used in the manufacture of certain of our Formulations, including Takatvar, which is used to control downy mildews of grapes, potatoes, vegetables and several other crops.

Expand our business and geographical footprint through inorganic growth

Approximately 19 Technicals are expected to go off-patent between 2019 and 2026 and an opportunity size of over US\$ 4.2 billion is expected due to this by 2026 (Source: F&S Report). To be able to cater to the growth in demand for the products we manufacture, we intend to scale up the manufacturing capacities for our existing products. We have obtained approval from the MoEF to expand our manufacturing capacity at Sandila to 30,000 MT. In addition, we continually explore new markets for our existing products. We believe that our expansion plans would strengthen and diversify our customer base. We believe that our expansion and diversification of our product portfolio would allow us to service new clients, meet existing demand and consequently, enhance our business prospects.

We intend to augment our organic growth by pursuing selective acquisitions and strategic alliances that provide us access to better infrastructure, industry knowledge, technology expertise and geographical reach and allow us to expand our product offerings and customer base. We may consider other acquisition opportunities acquiring divisions of existing companies to selectively expand in our verticals, provided such opportunities offer the synergies we look for and are available at competitive

prices. We believe such acquisitions will support our long-term strategy, strengthen our competitive position, particularly in acquiring technical expertise and provide greater scale to grow our earnings and increase shareholder value.

Our Businesses

We have two distinct operating verticals, namely, Technicals and Formulations.

The following table sets forth the revenue from operations contributed by each of our verticals and the percentage of our total revenue from sale of products for the periods indicated:

Products	Fiscal 2018		Fiscal 2019		Fiscal 2020		Six months ended September 30, 2020	
	Revenue from Sale of Products	As % of Total Revenue from Sale of Products	Revenue from Sale of Products	As % of Total Revenue from Sale of Products	Revenue from Sale of Products	As % of Total Revenue from Sale of Products	Revenue from Sale of Products	As % of Total Revenue from Sale of Products
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Technicals	1,794.63	70.94%	2,566.59	75.43%	3,832.81	80.19%	2,556.60	77.52%
Formulations	735.28	29.06%	836.01	24.57%	946.77	19.81%	741.31	22.48%
Total	2,529.91	100.00%	3,402.60	100.00%	4,779.58	100.00%	3,297.91	100.00%

A brief description of each of our lines of business are as follows:

Technicals

We manufacture agro-chemical Technicals that include fungicides and herbicides. We also manufacture APIs with applications in dermatological products.

Fungicides

Fungicides are pesticides used to kill or inhibit fungi or fungal spores. Fungi cause serious damage in agriculture, resulting in critical losses of yield, quality and profit. Fungicides are extensively used in industry, agriculture, and the home and garden for a number of purposes, including: protection of seed grain during storage, shipment, and germination, protection of mature crops, berries, seedlings, flowers, and grasses in the field, in storage and during shipment; suppression of mildews that attack painted surfaces and control of slime in paper pulps. (Source: F&S Report)

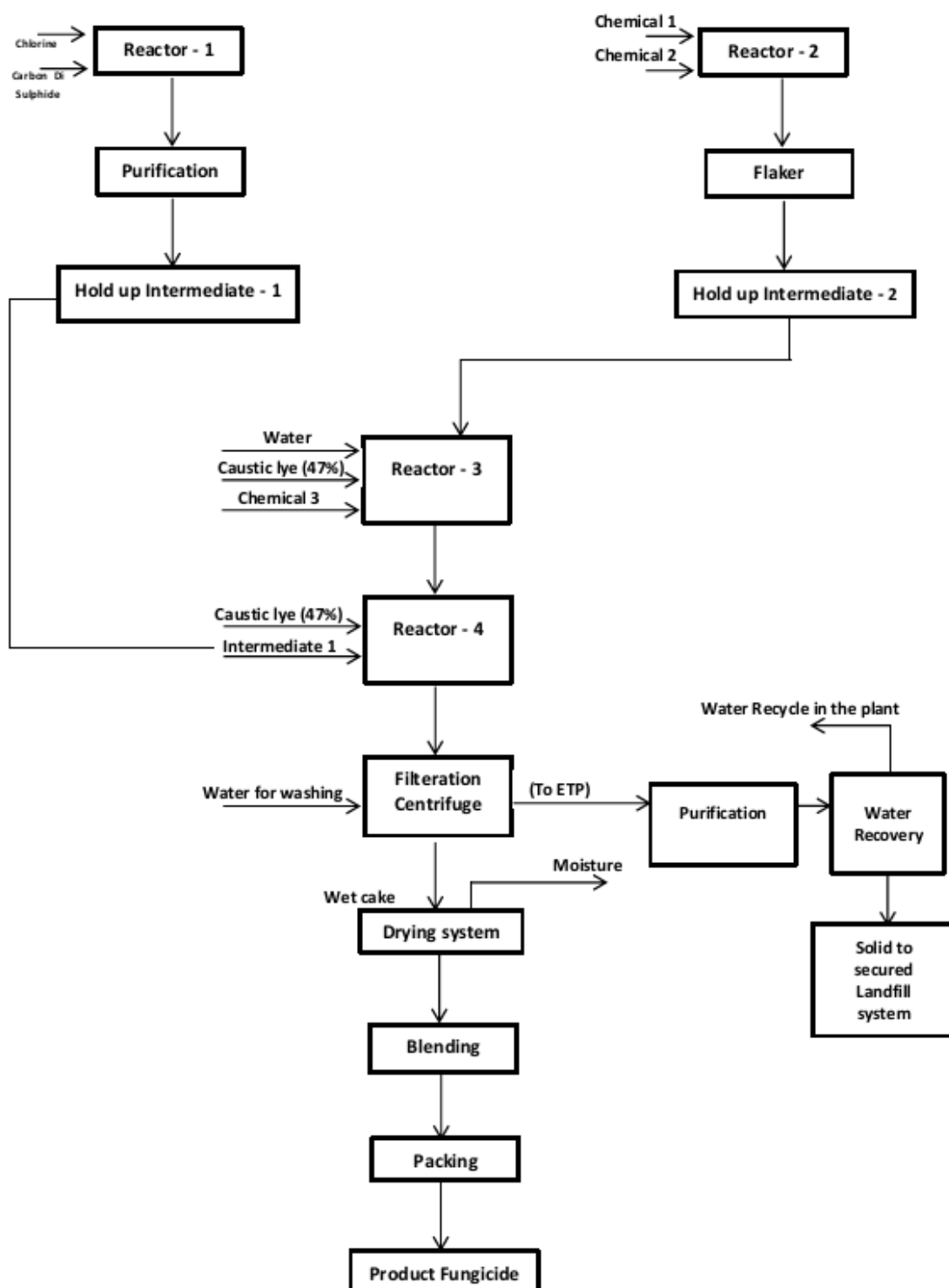
Certain of our Technicals are as below:

Product	Applications (Source: F&S Report)
Folpet	Controls fungal growth at vineyards, cereals, crops, biocide in paints.
Cymoxanil	Controls downy mildews of grapes, potatoes, vegetables and several other crops.
Ziram [#]	Addresses scab on apples, pears, peaches, almonds, apricots and cherries. Ziram is also used as an additive ingredient in industrial adhesives and paint.
Captan [#]	Controls fungal growth on fruits, vegetables and cereals.

[#] Ziram and Captan are part of a list of 27 products that are proposed to be banned for sale in India by the Department of Agriculture, Government of India. For further information, see “Risk Factors – Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations.” on page 35.

Manufacturing process

Set out below is the typical manufacturing process followed by our Company for fungicide Technicals.



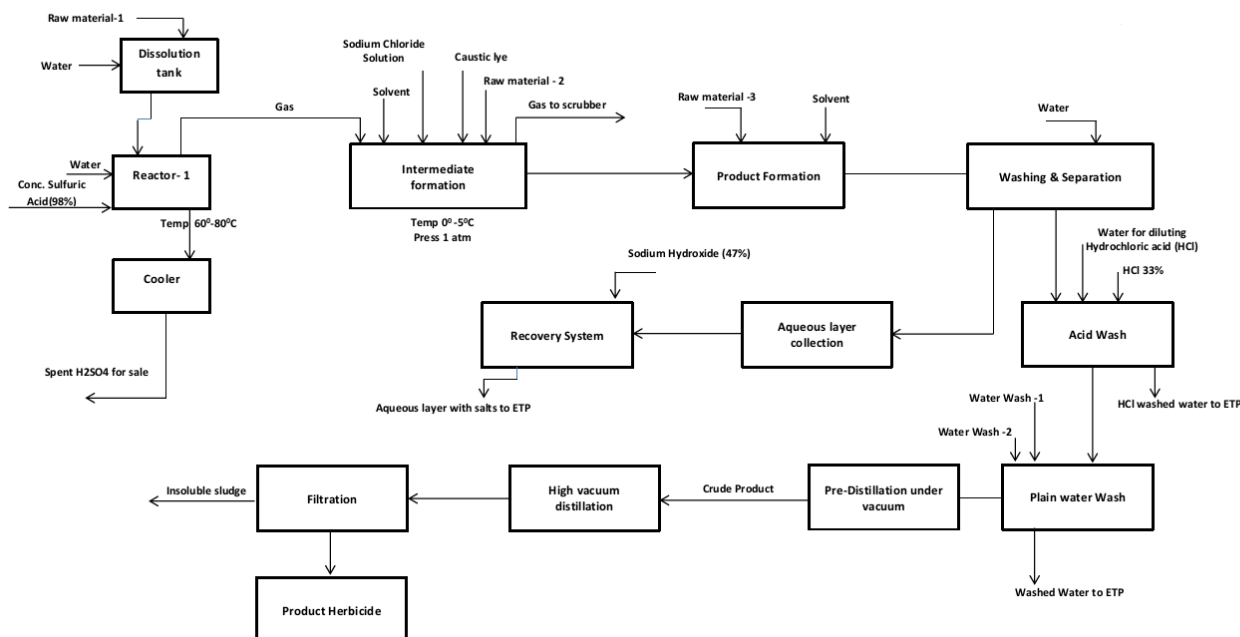
Herbicides

Herbicides, also commonly known as weed-killers, are pesticides designed specifically to kill weeds and applied to the foliage of unwanted plants or the soil beneath. Weeds reduce the quality and quantity of agricultural production, and produce allergens or contact dermatitis that affect public health. (Source: F&S Report)

Product	Applications (Source: F&S Report)
Thiocarbamate Herbicides	Wheat and rice

Manufacturing process

Set out below is the typical manufacturing process for Thiocarbamate herbicides.



APIs

APIs are substances or a mixture of substances intended to be used in the manufacture of a drug (medicinal) product and that when used in the production of a drug becomes an active ingredient of the drug/ product. (Source: F&S Report)

Details of certain key APIs manufactured by us and their applications are set out below:

Product	Applications (Source: F&S Report)
Anti-scabies drug	Dermatology - Used in the treatment of scabies and pediculosis.
Anti-fungal drug	Dermatology - Fungicidal drug that acts on fungal hyphae and inhibits squalene epoxidase.

Manufacturing process

Anti-Scabies Drug: The manufacturing process consists of vaporization, chlorination, isomer separation, purification, crystallization drying and micronization of the product.

Anti-Fungal Drug: The manufacturing process consists of chlorination, aqueous layer separation, organic layer purification by distillation, reaction step 2 and further purification, filtration drying and grinding.

Formulations

Our Formulations are sold as branded products to customers through our distribution partners. Active ingredients are mixed with other auxiliary materials to produce Formulation products in a form that can be used by our customers. The active ingredients that we use for making formulations are manufactured in-house or purchased from external suppliers. The type of Formulations manufactured by our Company depends on seasons, crops and soil and include wettable powder, water dispersible granules, granules, emulsion concentrates, soluble concentrate, capsule suspension and suspension concentrate.

We manufacture a broad range of fungicide, herbicide and insecticide Formulations products. Details of certain of our key Formulations and their applications are set out below:

Product	Applications (Source: F&S Report)
Crotax – 36	Used on paddy, Bengal gram, black gram, green gram, tea, red gram, sugarcane and cotton, against pests such as brown plant hoppers, green leaf hopper, leaf roller/folder, yellow stemborer shoot fly,

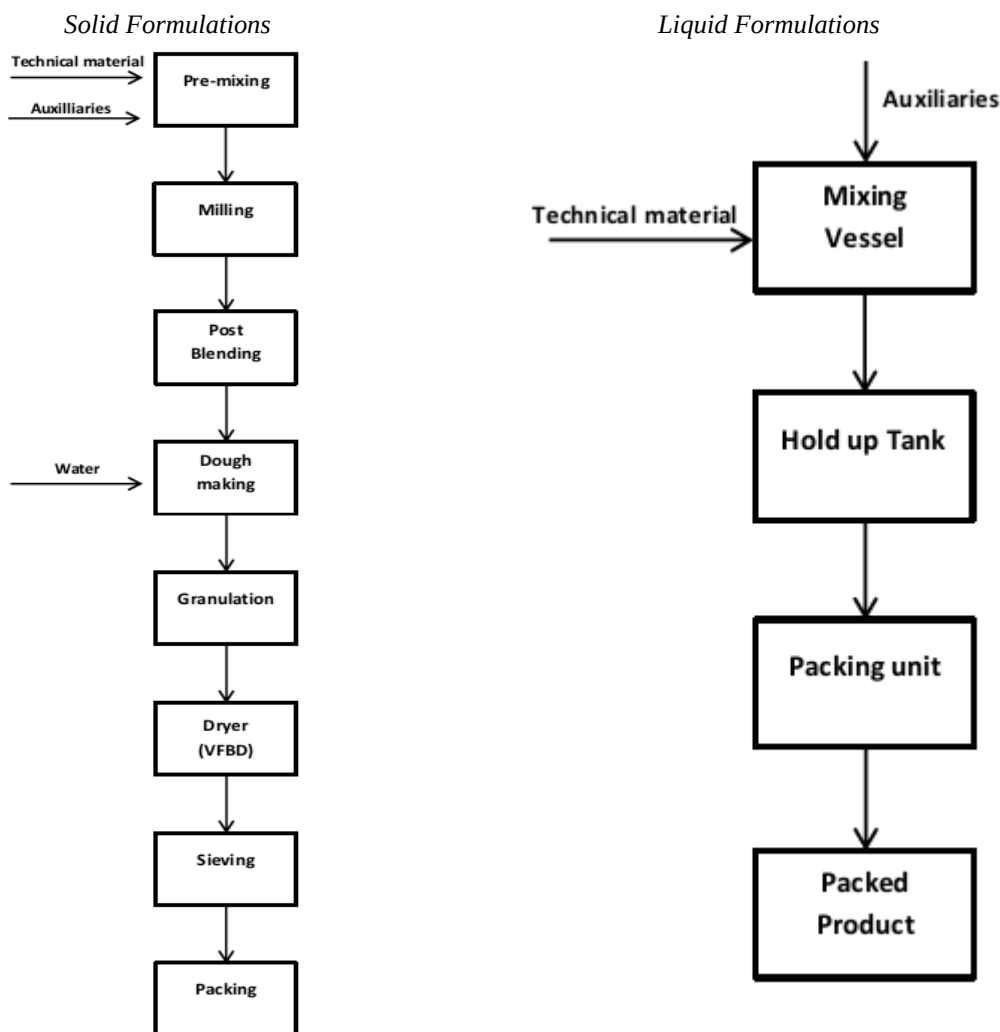
Product	Applications (Source: F&S Report)
	pod borer, leaf minor, early shoot borer, mealy bug, pyrilla, scale insect, stalk bore, American boll worm, aphid, leaf hopper, grey weevil, spotted bollworm, pink bollworm, thrips and white fly.
Chlorax – 20	Used on paddy, cotton, brinjal, cabbage, onion, apple and citrus, against pests such as hispa, leaf roller, gall midge, stem borer, whorl maggot, aphid, bollworm, white fly, shoot and fruit borer, diamond blackmoth, root grub, aphid, leaf hopper, black citrus and aphid.
Tridev	Used on cotton for controlling bollworm.
IPL 505	Used on cotton and paddy against pests such as aphid, whitefly, jassid, thrips, whitefly, American bollworm, spotted bollworm and leaf hopper.
IPL Soldier	Used on grapes, red gram, cotton, cabbage, chickpea, brinjal, okra, chilies against pests such as thrips, pod borer, bollworms, diamond black moth, pod borer, fruit and shoot borer and mites.
IPL Tara	Used on mango, potato, cotton, wheat, tea, cumin, tomato, rice, citrus brinjal, okra and mustard against pests such as hopper, aphid, jassid, whitefly, mosquito bug, stem borer, gall midge, leaf folder, brown plant hopper, white-backed plant hopper, greenleaf hopper, thrips and psylla.
Immidiator	Used on cotton, paddy, chilies, sugarcane, mango, sunflower and okra against pests such as aphid, whitefly, jassid, thrips, brown plant hopper, white-backed plant hopper, greenleaf hopper, termite and hopper.
Agni	Used on transplanted rice against weeds such as Echinochloa Crusgalli, Echinochloa Colonum, Cyperus Difformis, Cyperus Isra, Fimbirstylis Miliacea, Eclipta Alba, Ludwigia Pulviflora, Leptochloa Chinensis, Monochorea Vaginalis and Panicum Repens.
Takatvar	Used on chilies and potato against pests such as fruit rot (anthracnose), early blight and late blight.
Ziram – 27 [#]	Used on grape, apple, bean, potato, tomato against pests such as downy mildew anthracnose, scab, anthracnose, early blight.
Ziram – 80 [#]	Used on grapes, apples, beans, potatoes and tomato against pests such as downy mildew, anthracnose, scab, anthracnose and early blight.
Captax – 50 [#]	Used on apples, cherries, grapes, potatoes, tomatoes, chilies, tobacco and coffee against pests such as scab, brown rot, downy mildew, early blight, late blight, damping off and leaf spot.

Ziram – 27, Ziram – 80 and Captax – 50 are manufactured using Ziram and Captan that are part of a list of 27 products that are proposed to be banned for sale in India by the Department of Agriculture, Government of India. For further information, see “Risk Factors – Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations.” on page 35.

Manufacturing process

We manufacture Formulations products through processes which differ based on nature of product, i.e., solid or liquid.

Set out below are the processes for the manufacture of our solid and liquid Formulations:



Manufacturing Facilities

We operate two manufacturing facilities located at Dewa Road, Lucknow and Sandila, Hardoi in Uttar Pradesh, India that are spread across over 25 acres. As of September 30, 2020, our facilities have a combined installed capacity of 26,000 MT per annum for the manufacture of Technicals and Formulations.

The facilities are equipped with modern plant and machinery to produce quality Technicals and Formulations. There is an audit and review process that is undertaken by certain of our customers. We are also in the process of subscription to a CSR-related accreditation platform, which will enable us to share the performance score of our Company provided by such accreditation platform with prospective and current customers. In addition, the Department of Agriculture, Uttar Pradesh also makes periodic visits to inspect our agro-chemical Technicals and Formulations as well as the infrastructure facilities available at our manufacturing facilities. Further, our manufacturing facilities include effluent treatment plants, which treats our industrial waste water and recycles it for reuse or for safe disposal to the environment.

The power requirements for our facilities are met through local state power grid through interstate open access, while water is procured from bore wells.

Each of our manufacturing facilities has the ability to manufacture a wide range of products and consists of multiple production blocks for individual products with common utilities like steam and cooling water and specific utilities including chilled water, chilled brine and inert gas. Depending on the demand for a particular product, individual manufacturing block may also be used for manufacturing other similar products. Our manufacturing facilities are all situated close to highways which provide logistical advantages to our operations. We generally source raw material from suppliers that are closely located to our manufacturing facilities to minimise inward freight costs, maintain optimum inventory and contain cost of materials.

The table below sets forth certain information regarding the products manufactured at our manufacturing facilities as of September 30, 2020:

Manufacturing Facility	Technicals			Formulations
	Herbicides	Fungicides	APIs	
Dewa Road	-	√	√	√

Manufacturing Facility	Technicals			Formulations
	Herbicides	Fungicides	APIs	
Sandila	√	√	-	√

√ denotes that the product is manufactured at the relevant facility.

Dewa Road

Our manufacturing facility at Dewa Road in Uttar Pradesh (“**Dewa Road Facility**”) commenced operations in 1991. As of September 30, 2020, our Dewa Road Facility had an aggregate installed capacity of 2,100 MT and 3,000 MT for agro-chemical Technicals and Formulations, respectively.

Our Dewa Road Facility focuses on manufacturing fungicide Technicals, APIs and Formulations.

Sandila

Our manufacturing facility at Sandila in Uttar Pradesh (“**Sandila Facility**”) commenced operations in 2015. As of September 30, 2020, our Sandila Facility had an aggregate installed capacity of 17,400 MT and 3,500 MT for agro-chemical Technicals and Formulations, respectively.

Our Sandila Facility focuses on manufacturing herbicide and fungicide Technicals and Formulations.

Capacity and Capacity Utilization

Each of the Manufacturing Facilities has the ability to manufacture a wide range of products within individual production blocks.

The following table sets forth certain information relating to the installed capacity, actual production and capacity utilisation of our agro-chemical Technicals and Formulations at our manufacturing facilities at Dewa Road and Sandila as of/ for the financial years ended March 31, 2018, 2019 and 2020 and the six months ended September 30, 2019 and 2020:

Particulars	Unit	As of and for the financial year ended March 31,								
		2018			2019			2020		
		Annual Installed Capacity ^{(1)*}	Annual Actual Production ⁽²⁾	Capacity Utilisation (%) ^{(3)*}	Annual Installed Capacity ⁽¹⁾	Annual Actual Production ⁽²⁾	Capacity Utilisation (%) ^{(3)*}	Annual Installed Capacity ⁽¹⁾	Annual Actual Production ⁽²⁾	Capacity Utilisation (%) ^{(3)*}
Agro-chemical Technicals										
Dewa Road	MT	2,100	1,995	95%	2,100	1,910	91%	2,100	1,806	86%
Sandila	MT	3,700	3,091	84%	7,900	6,064	77%	12,400	9,222	74%
Total	MT	5,800	5,086	88%	10,000	7,974	80%	14,500	11,028	76%
Formulations										
Dewa Road	MT	3,000	2,039	68%	3,000	1,918	64%	3,000	2,128	71%
Sandila	MT	3,000	1,098	37%	3,000	1,615	54%	3,500	1,656	47%
Total	MT	6,000	3,137	52%	6,000	3,533	59%	6,500	3,784	58%

Particulars	Unit	As of and for the six months ended September 30, 2019			As of and for the six months ended September 30, 2020		
		Annual Installed Capacity ^{(1) *}	Annual Actual Production ^{(2) *}	Capacity Utilisation (%) ^{(3) *}	Annual Installed Capacity ^{(1) *}	Annual Actual Production ^{(2) *}	Capacity Utilisation (%) ^{(3) *}
Agro-chemical Technicals							
Dewa Road	MT	2,100	945	90%	2,100	935	89%
Sandila	MT	7,900	2,994	76%	17,400	6,570	76%
Total	MT	10,000	3,939	79%	19,500	7,505	77%
Formulations							
Dewa Road	MT	3,000	1,182	79%	3,000	1,327	88%
Sandila	MT	3,000	752	50%	3,500	988	56%
Total	MT	6,000	1,934	64%	6,500	2,315	71%

*As certified by Amir Husain Rizvi, Chartered Engineer, by certificate dated December 9, 2020.

- The information relating to the installed capacity of the manufacturing facilities as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of agro-chemical Technicals and Formulations after examining the calculations and explanations provided by the Company and the capacities and other ancillary equipment installed at the facilities. The assumptions and estimates taken into account include the following: (i) Number of working days in a year - 300; (ii) Number days in a month - 25; (iii) Number of shifts in a day - 3; and (iv) Number of hours – 24 hours a day. The installed capacity of the Manufacturing Facilities as of September 30, 2019 and 2020 have been provided on an annualized basis.
- The information relating to the actual production at the manufacturing facilities as of the dates included above are based on the examination of the internal production records provided by the Company, explanations provided by the Company, the period during which the Manufacturing Facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

3. *Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant period. In the case of capacity utilization for the period ending September 30, 2019 and 2020, the capacity utilization has been calculated by dividing the actual production for the period by 50% of the annualized installed capacity.*

Also, see “*Risk Factors – Information relating to the installed manufacturing capacity, actual production and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary*” on page 55.

Procurement and Raw Materials

In Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, the cost of materials consumed represented 47.33%, 57.10%, 53.50% and 50.84%, respectively, of our revenue from operations. Raw materials are transported to the facilities primarily by means of road and rail transport.

Major raw materials used as part of our manufacturing operations include chlorine, Tetrahydro phthalic anhydride, carbon di sulphide, technical grade urea, di-n propylamine, benzyl chloride and other speciality chemicals based on their application.

We have a centralised system for procurement of raw material for both our manufacturing facilities. Majority of our raw materials are sourced from domestic markets. Imports of our raw materials accounted for 26.32%, 35.02%, 34.56% and 36.04% of our total raw materials purchases in Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, respectively. Our vendors are selected based on a pre-defined policy. Further, we identify and approve multiple vendors to source our key raw materials pursuant to an examination of the potential vendor’s regulatory accreditations, supply strength in terms of delivering large quantities on a consistent basis, and contingency arrangements in the event of stoppages. In addition, we have stringent regulatory and quality checks for every raw material item that we source.

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers or the open market. The terms and conditions for product quality and return policy are set forth in the purchase orders. Pricing and production volumes are negotiated for each purchase order. There are no contractual commitments other than those set forth in the purchase orders. The purchase price of our raw materials generally follows market prices. 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. See, “*Risk Factors –An inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations and financial condition.*” on page 38.

Inventory Management

Our finished products are stored on-site at our manufacturing facilities and at our warehouses. We generally store approximately one month’s worth of forecasted sales at our production facilities and warehouses. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders. Our expected orders have historically been confirmed due to the stable long-standing relationships that we have with our direct customers and distributors.

Our production and inventory levels of our finished products are planned on a monthly basis based on the projected sales volumes and we make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at each of our manufacturing facilities. Further, for raw materials, we maintain different inventory levels depending on lead time required to obtain additional supplies.

Logistics

We transport our raw materials and our finished products by road, train, sea and air. Depending on our contractual arrangements, our suppliers either deliver our raw materials directly to us or we are required to collect the raw materials from our suppliers at our own costs. We outsource the delivery of our raw materials to third party logistics providers.

We rely on third party logistics providers to deliver our products. We do not have formal contractual relationships with such third party logistics providers. We sell our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery basis. For certain large multinational companies, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our custom house agents co-ordinate with the shipping line / airline to file and release the necessary bills of lading / air waybills.

Pricing

We determine the prices for our products based on various parameters, including market demand, our production capacity, transportation costs, raw materials costs, inventory levels, competitors’ prices and credit terms. Prices for different regions are also affected by local regulations and tax policies. We review our prices regularly based on prevailing wholesale prices in the market. We usually sell our products through advance payments or credit sales.

Utilities

We consume a substantial amount of power and fuel for our business operations. Our power requirement for our manufacturing facilities is sourced through local state power grid through interstate open access. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture our products. We have also installed generators in our manufacturing facilities to ensure constant supply of power. In Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, power and fuel expenses accounted for 6.20%, 6.03%, 5.64% and 5.69%, respectively, of our total expenses in such periods.

Sales and Marketing

Our business operations and products primarily cater to the business-to-business segment. We maintain direct contact with majority of our customers which allows us to not only better understand the technical needs of our customers but also their future requirements to guide our R&D to develop Technicals.

We have in-house teams which look after the marketing, distribution and sales of our products, with separate sales teams for our Technicals and Formulations businesses. The sales teams are also segregated by geography and are responsible for the sales of our products at the ground level.

As of September 30, 2020, we have a network of over 20 sales depot consisting of branches, carrying and forwarding agents, and warehouses spread across 15 states in India and our distribution network comprises a number of dealers and distribution partners across India. We have a marketing team that coordinates with our dealer network on a regular basis to understand demand patterns and also offer them various incentive structures and fix payment schedules to grow our product sales. In addition, we regularly participate in exhibitions and conferences in India and abroad to market our products.

Business Development

Our business development activities are focused on developing and executing our business plans in accordance with our growth objectives and business strategy. The main objective of our business development activities involve our R&D and engineering teams working closely with our customers or prospective customers to design products tailored to meet their specific requirements. The business development team seeks out new geographies and identifies new products, which assists in business operations expansion. Further, it is also involved in collecting market information, such as, technological advancements and existing competition, in order to assess the viability of our products in the market. In addition, it also focused on maintaining relationships with our customers.

Research and Development

We believe that R&D is critical in maintaining our competitive position in our various business lines, and to address changing customer trends, industry developments and business models. Our R&D laboratories focus on costs and operating efficiencies, product design and development, production processes, technology development and environmental management.

We have established R&D laboratories at both our manufacturing facilities that are registered with the DSIR and have a dedicated R&D team. The main R&D activities undertaken by the Company are technical development and enhancement of new and existing production techniques, formulation development and registration.

Technical development involves the manufacture of new products and technology, the improvement and upgrade of existing products and processes in order to improve the yield of the respective product or to reduce the cost of its production and the development of alternative process and technologies with a focus on reducing discharges and emissions to the environment and recycling of waste.

Formulation development involves the manufacture of user-friendly and safe formulations and the manufacture of new mixture formulations.

Registration involves the synthesis and stabilisation of impurities, checking impurity levels of agro-chemicals for the registration process and the preparation and filing of dossiers.

We believe that our R&D has and will continue to assist us in developing newer technologies and manufacturing processes for existing as well as new products, which will help reduce the cost of production, simplify manufacturing processes to improve safety, reduce environmental load and provide us with other growth opportunities. We believe that our focus on process innovation through continuous R&D has been critical to the growth of our business and improved our ability to customize our products for our customers.

Customers

Our customer base currently comprises a number of multinational, regional and local companies such as ASCENZA AGRO, S.A., Conquest Crop Protection Pty Ltd, Sharda Cropchem Limited, Syngenta Asia Pacific Pte. Ltd., Stotras Pty Ltd and UPL

Limited. We have strong and long established relationships with most of our customers. We believe our customer relationships are led primarily on account of our ability to meet stringent specifications and customizations along with our strong technical competencies, and R&D capabilities. We are committed to developing and maintaining long-term relationships with our customers through frequent interactions and follow-ups. In recognition of our efficient services and products, we have received several awards from our customers. For instance, we were awarded “Most Cooperative Partner” in Fiscal 2018 – 2019 by one of our customers, Rallis India Limited.

However, we are dependent on a limited number of customers for a significant portion of our revenues. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, our top 10 customers represented 43.80%, 54.35%, 58.59% and 69.27%, respectively, of our total revenues from operations in such periods. Our largest customer represented 22.50%, 29.63%, 16.75% and 25.20% of our total revenues from operations in Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, respectively. See, “*Risk Factors – We depend on the success of our relationships with our customers. A significant portion of our revenue is generated from certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows*” on page 34.

Exports

As of September 30, 2020, our products were exported to over 20 countries including Australia and other countries located in Europe, Africa and Asia. In Fiscals 2018, 2019 and 2020, and the six months ended September 30, 2020, revenue from operations from exports accounted for 34.58%, 50.13%, 62.12% and 65.73%, respectively, of our total revenue from operations in such periods. Further, we have historically derived a significant portion of our revenues from operations from a limited number of markets, namely, Australia, Europe and Asia. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, we derived 1.24%, 10.19%, 30.48% and 23.55% of our revenues from sale of products from business in Australia, 21.20%, 22.88%, 21.24% and 12.41% of our revenues from sale of products from business in Europe, and 72.38%, 60.33%, 43.54% and 59.88% of our revenues from sale of products in Asia (including India), respectively.

Competition

The Indian agro-chemicals industry is fragmented in nature and we face competition from different domestic and global manufacturers for different products that we manufacture. In the domestic markets, our competitors include companies such as UPL Limited, PI Industries Limited and Jubilant Lifesciences Limited, while in the international markets, we face competition from companies, especially companies such as China National Corporation Limited, Sumitomo Chemicals Co. Limited and BASF SE, in the manufacture of agro-chemicals (*Source: F&S Report*).

Some of our competitors in the agro-chemicals industry may have greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Please see, “*Risk Factors – We face competition from both domestic as well as multinational corporations and our inability to compete effectively could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects.*” on page 40.

Quality Control, Testing and Certifications

We have implemented quality assurance management systems and procedures that are aimed at ensuring consistency. Our products are rigorously inspected, tested and certified for quality, in-house. We continue to strive to upgrade and meet our customers' requirements, to have an edge over competitors and to deliver quality products which give complete customer satisfaction. We invest in upgrading our equipment and technology and add new equipment from time to time.

Our quality control programs at our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations. Our customers also expect us to undertake extensive product approvals and/or certification process and some of our customers also perform their own quality checks 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.

Our quality control department ensures that materials received from our approved lists of vendors also comply with our internal standards and specifications which are designed to satisfy the requirements set forth by the various regulatory agencies. We also have onsite quality affairs and regulatory affairs heads who report to the quality control department. We have formulated quality control and quality assurance procedures applicable to each of our manufacturing facilities, which are monitored by the team of quality control and quality assurance personnel.

We have a dedicated team of qualified professionals with significant industry experience that is responsible for maintaining our required quality standards. Our employees are required to undergo thorough training programs designed to update them on latest quality norms and standards periodically.

In recognition of our quality standards, our Dewa Road Facility and Sandila Facility have received ISO 9001: 2015 quality management systems certification. For further information, see *“History and Certain Corporate Matters – Awards, accreditations and recognitions received by our Company”* on page 158. Further, our products are registered in multiple countries. These registrations ensure that our products adhere to standards prescribed in such jurisdictions.

Environment, Sustainability, Health and Safety

We are subject to a wide range of safety and environmental laws and regulations, including the Water Act, the Air Act, the Environment (Protection) Act, 1986 and the Hazardous Waste Rules. For further details on the regulations that are applicable to us, see *“Key Regulations and Policies”* on page 151. We have obtained certain approvals and authorizations under the Air Act, the Water Act and the Hazardous Waste Rules and have applied for other requisite approvals and authorizations that are pending.

Our manufacturing facilities are equipped with effluent treatment processes to minimize contamination of the surrounding environment. We believe that our manufacturing facilities are designed towards minimizing effluent discharge in our production process. We are committed to maintaining and safeguarding the health and safety of all our employees. Our staff and workers are trained in the operation and maintenance of our plant and equipment. Our employees whose duties involve the handling of chemicals are also educated on the safety methods for handling such chemicals. We provide appropriate personal protective equipment to our employees. The occupational health and safety management systems of our manufacturing facilities and our Corporate Office have received ISO 45001: 2018 (OHSAS) and OHSAS 18001: 2007 certifications. For further information, see *“History and Certain Corporate Matters – Awards, accreditations and recognitions received by our Company”* on page 158.

Information Technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers, receivables from customers and distribution network. We also utilize an enterprise resource planning solution that covers production, finance, sales, marketing logistics, purchase and inventory, across all our offices and manufacturing facilities.

Insurance

Our operations are subject to various risks inherent in the agro-chemicals manufacturing industry. Accordingly, we have obtained a standard fire and special perils policy for building, plant and machinery and stock, boiler and pressure plant insurance policy, burglary policy, for our manufacturing facilities, R&D centre, corporate office and/or branches across India. We have also obtained a marine cargo open insurance policy for rail/ road transport of hazardous chemicals from any location in India to our manufacturing facilities. In addition, we also procured a public liability insurance policy, which will expire on February 9, 2021 and for which we have filed a renewal application. These insurance policies are reviewed periodically to ensure that the coverage is adequate.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations and, in the case of business interruption insurance, among other things, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See *“Risk Factors – We may be subject to significant risks and hazards when operating and maintaining our manufacturing facilities, including the manufacture, usage and storage of various flammable, corrosive or hazardous substances, for which our insurance coverage might not be adequate.”* on page 40.

Employees

Our employees contribute significantly to our business operations. As of September 30, 2020, we had 647 permanent employees. In addition, we have entered into arrangements with third party personnel companies for the supply of contract labour. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors. We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees. Our employees are not unionized into any labour or workers’ unions and we have not experienced any major work stoppages due to labour disputes or cessation of work in the last five years.

Our human resource department focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner.

Intellectual Property

We have obtained trademark registrations for our products ‘IPLDOLLAR’, ‘IPLGURU’, ‘IPLDIFEN’, ‘IPL SOLDIER’, ‘IPL ZIRAM27’ and ‘TAKATVAR’. We have applied for registration of our logo which is under objection as of the date of this Draft Red Herring Prospectus. We have submitted a response to the objection raised against our logo. For further information, see “*Government and Other Approvals*” on page 269.

Corporate Social Responsibility

Our Company has formulated a Corporate Social Responsibility (“**CSR**”) policy in accordance with the requirements of the Companies Act, 2013 and the rules thereunder. Our Board of Directors have also constituted a Corporate Social Responsibility Committee. As part of our corporate social responsibility initiatives, our Company has been carrying out various social welfare activities. Our CSR initiatives focus on health care including supporting various medical initiatives aimed at reducing mortality rate of children, regular health checkups for the economically poor, promoting preventive health care, skill development and women empowerment and vocational training programme for differently abled persons, promoting education, promoting sports, good agricultural practices and model village/ habitation development.

Property

Our registered office is situated at 35-A, Civil Lines, Bareilly – 243 001, Uttar Pradesh and our Corporate Office is situated at Water Works Road, Swarup Cold Storage Compound, Aishbagh, Lucknow – 226 004, Uttar Pradesh both of which are held by us on a leasehold basis. As of the date of this Draft Red Herring Prospectus, we operate two manufacturing facilities at UPSIDC Industrial Area at Dewa Road, Lucknow and Sandila, Hardoi in Uttar Pradesh, both of which are held by us on leasehold basis. Our R&D laboratories are situated at Tiwarigang, Chinhath, Lucknow – 226028, Uttar Pradesh and at K-2 to K-11 and D-2 to D-4, Phase-1, UPSIDC Industrial Area, Village – Mausona, Tehsil – Sandila, District Hardoi – 241204, Uttar Pradesh both of which are held by us on a leasehold basis.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws currently in force in India, which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretation thereof, which are subject to change or modifications by subsequent legislative, regulatory, administrative or judicial decisions.

For details of regulatory approvals obtained by us in compliance with the applicable regulations, see “Government and Other Approvals” on page 269.

Laws in relation to agro-chemical and pharmaceutical business The laws in relation to our agro-chemical and pharmaceutical business, *inter alia*, regulate (i) the import and manufacture of certain products, (ii) quality control of certain products, (iii) sale and distribution of certain products, and (iv) the operation of our production facilities. Our agro-chemical and pharmaceutical business is regulated both by laws enacted by the Central Government and State Governments.

The Insecticides Act, 1968 (the “Insecticides Act”)

The Insecticides Act, as amended, regulates the (i) registration; (ii) licensing; and (iii) quality-control of insecticides.

Registration: The definition of insecticides includes fungicides and weedicides. Any person who desires to import or manufacture any insecticide is required to apply to the registration committee under the Insecticides Act, for the registration of such insecticide. The functions of the registration committee include registering insecticides after scrutinizing their formulae and verifying claims made by the importer or the manufacturer, as the case may be, as regards their efficacy and safety to human beings and animals. The registration is granted by a central authority and is effective throughout India.

Licensing: Any person who desires to manufacture or sell, stock or exhibit for sale or distribute any insecticide, or to undertake commercial pest control operations with the use of any insecticide may make an application to the licensing officer for the grant of a license under the Insecticides Act. Our Company is required to obtain a separate license for each place in which we manufacture, sell or stock for sale our products. The license granted may be revoked or suspended or amended, *inter alia*, for misrepresentation of an essential fact and failure to comply with the conditions subject to which the license was granted.

Quality control: If the use of an insecticide or a batch thereof is likely to lead to such risk to human beings or animals as to render it expedient or necessary to take immediate action, the Central Government or the State Government may prohibit its sale, distribution or use, by notification, for a specified period pending investigation in the matter. If, as a result of its own investigation or on receipt of a report from the State Government, and after consultation with the registration committee, the Central Government is satisfied that the use of the said insecticide or batch is or is not likely to cause any such risk, it may pass such order as it deems fit.

The Insecticides Act makes it punishable to import, manufacture, sell, stock and exhibit for sale or distribution any misbranded insecticides. An insecticide is deemed to be misbranded if: (i) its label contains any statement, design or graphic representation relating thereto which is false or misleading in any material particular, or if its package is otherwise deceptive in respect of its contents; or (ii) it is an imitation of, or is sold under the name of, another insecticide; or (iii) its label does not contain a warning or caution which may be necessary and sufficient, if complied with, to prevent risk to human beings or animals; or (iv) any word, statement or other information required by or under the Insecticides Act to appear on the label is not displayed thereon in such conspicuous manner as the other words, statements, designs or graphic matter have been displayed on the label and in such terms as to render it likely to be read and understood by any ordinary individual under customary conditions of purchase and use; or (v) it is not packed or labelled as required by or under the Insecticides Act; or (vi) it is not registered in the manner required by or under the Insecticides Act; or (vii) the label contains any reference to registration other than the registration number; or (viii) the insecticide has a toxicity which is higher than the level prescribed or is mixed or packed with any substance so as to alter its nature or quality or contains any substance which is not included in the registration.

Penalties: Contravention of the Insecticides Act is punishable with imprisonment or fine or both, with enhanced punishment for repeat offences. Similarly, a person may be imprisoned for a period of six months to three years depending upon the nature of the offence. Further, the prescribed officer under the Insecticides Act has the power to stop the distribution, sale or use of an insecticide for a specified period which he has reason to believe is being distributed, sold or used in contravention of the Insecticides Act. Additionally, if any person is convicted under the Insecticides Act, the stock of insecticide in respect of which the contravention has been made is liable to be confiscated.

The Pesticides (Prohibition) Order, 2018 provides a list of 18 pesticides that no person shall manufacture, import, formulate, transport or sell from the date specified in the order. Further, the Government of India had also proposed to introduce the Banning of Insecticides Order, 2020 which provided a list of 27 prohibited insecticides. This Order has not come into effect as of the date of filing of this Draft Red Herring Prospectus. We are also required to comply with the guidelines issued by the Central Insecticides Board and Registration Committee (“CIBRC”) and the Insecticides Rules, 1971. The functions of the

CIBRC include to advise the Central Government and State Governments on technical matters such as the risk to human beings or animals involved in the use of insecticides and the safety measures necessary to prevent such risk and the manufacture, sale, storage, transport and distribution of insecticides with a view to ensure safety to human beings or animals and to carry out other functions assigned to it by or under the Insecticides Act.

The Pesticides Management Bill, 2020 (the “Pesticides Management Bill”)

The Pesticides Management Bill was introduced in the Rajya Sabha on March 23, 2020 and is currently pending approval. It seeks to replace the Insecticides Act, 1968. It seeks to regulate the import, manufacture, storage, sale, distribution, use and disposal of pesticides with a view to ensure availability of safe and effective pesticides and minimise its risk on human beings, animals, living organisms other than pests and the environment.

It defines a pest as species, strain or biotype of plant, animal or pathogenic agent that is unwanted or injurious to plants, plant products, human beings, animals, other living creatures and the environment and includes vectors of parasites or pathogens of human and animal diseases and vermin as defined in the Wild Life (Protection) Act, 1972. A pesticide is defined as any substance or mixture of substances, including a formulation of chemical or biological origin intended for preventing, destroying, attracting, repelling, mitigating or controlling any pest in agriculture, industry, pest control operations, public health, storage or for ordinary use, and includes any substance intended for use as a plant growth regulator, defoliant, desiccant, fruit thinning agent, or sprouting inhibitor and any substance applied to crops either before or after harvest to protect them from deterioration during storage and transport.

The Pesticides Management Bill provides that any person seeking to import or manufacture any pesticides for ordinary use, agricultural use, etc. shall have to make an application to the registration committee for a certificate of registration. Further, anyone desiring to manufacture, distribute, sell or stock pesticides would have to obtain a licence for the same. Such a license can be revoked by the Licensing Officer if the holder contravenes any provisions of the Pesticides Management Bill or rules made thereunder. State Governments may also appoint qualified persons for sale of extremely toxic or highly toxic pesticides by prescription. Under the Pesticides Management Bill, manufacturing, importing, distributing, selling, exhibiting for sale, transporting, stocking a pesticide, or undertaking pest control operations, without a licence is punishable with imprisonment of up to three years, or a fine of not less than Rs. 1 million and extending up to Rs. 4 million, or both.

It also contemplates the constitution of the Central Pesticides Board to advise the Central and state governments on scientific and technical matters arising under the Pesticides Management Bill. It also proposes for the Central Pesticides Board to advise the Central government in making or formulating (i) criteria for good manufacturing practices for pesticide manufacturers, standards to be observed by laboratories, and best practices for pest control operators, (ii) standards for working conditions and training of workers, and (iii) procedure for recall and disposal of pesticides. The Board will also frame model protocols to deal with occurrences of poisoning.

Drugs and Cosmetics Act, 1940 (the “DCA”) and the Drugs and Cosmetics Rules, 1945 (the “DCA Rules”)

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement for a license for the manufacture for sale or distribution of any drug or cosmetic including for the purpose of examination, testing or analysis. They further mandate that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed and which may be subject to inspection by the relevant authorities.

The Petroleum Act, 1934

The Petroleum Act, 1934 regulates the import, transport and storage of petroleum. Persons intending to use petroleum in the manner provided need to acquire a license for the same from relevant authorities.

The Central Government, may from time to time, declare by rules and notifications places where petroleum may be imported, the periods within which license shall be applied for, regulations relating to transport of petroleum, nature and conditions in which they may be stored etc.

The Explosives Act, 1884 (the “Explosives Act”)

This is a comprehensive legislation which regulates the manufacture, 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, used or manufactured with an intent to produce a practical effect by explosion shall be covered under the Explosives Act.

The Central Government may, by notification, prohibit, either absolutely or subject to conditions, the manufacture and import of dangerous explosives.

The Boilers Act, 1923 (“Boilers Act”)

The Boilers Act and rules thereof encompass rules and regulations for the safe and proper construction, erection, repair, use and operation of boilers. The Boilers Act also lays down the process for formulation of boiler rules, examination by and appointment of boiler inspectors, provisions for inspection certifications and imposition of penalties for the violations of any provisions of the Boilers Act.

Environmental laws

The Environment Protection Act, 1986 (the “Environment Protection Act”)

The Environment Protection Act was enacted to act as an “umbrella” legislation designed to provide a framework for coordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorises the Central Government to protect and improve environment quality, control, and reduce pollution.

The draft Environment (Protection) Amendment Rules, 2020 provide for regulations on use of membrane based water purification system which, if passed, shall be applicable to all filtration based purification or wastewater treatment system, where polymer based membrane is used and discarded at the end of its life.

Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)

The Air Act was enacted and designed for the prevention, control and abatement of air pollution and establishes Central and State pollution control boards for the aforesaid purposes. In accordance with the provisions of the Air Act, any person establishing or operating an industrial plant in an air pollution control area must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity.

The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)

The Water Act was enacted to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. Further, the Water Act also provides for the establishment of boards with a view to carrying out the aforesaid purposes for conferring on and assigning to such boards powers and functions relating thereto.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)

The objective of the Hazardous Waste Rules is to control the collection, reception, treatment and storage of hazardous waste. The Hazardous Waste Rules prescribes for every person who is engaged in generation, treatment, processing, packaging, storage, transportation, use, collection, destruction, conversion, recycling, offering for sale, transfer or the like of hazardous and other wastes to obtain an authorisation from the relevant state pollution control board.

The Public Liability Insurance Act, 1991 (the “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. The government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the owner has to contribute towards the environmental relief fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (the “Hazardous Chemical Rules”)

The Hazardous Chemical Rules, as amended, were framed under the Environment Protection Act, 1986. These Hazardous Chemical Rules apply to sites in which certain hazardous chemicals are manufactured or stored. An occupier who has control of an industrial activity is required to provide evidence to show that it has, identified the major accident hazards; and taken adequate steps to prevent such major accidents and to limit their consequences to persons and the environment. Further, the occupier is required to provide to persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Under the Hazardous Chemical Rules, the occupier is required to submit safety report as specified in Schedule 8 of the Hazardous Chemical Rules. Among other things, the occupier is required to prepare and keep updated on site emergency plan as per Schedule 11 of the Hazardous Chemical Rules, detailing how a major accident will be dealt with on the site on which industrial activity is carried on.

Industrial and labour laws

We are subject to various labour and industrial laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of us.

The Factories Act, 1948 (the “Factories Act”)

The Factories Act defines a “factory” to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and, any premises where there are at least twenty workers even though there is no electrically aided manufacturing process being carried on. Each State Government has 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 provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

Other labour laws

Further, in respect of our manufacturing facilities, we use the services of certain licensed contractors who in turn employ contract labour whose number exceeds twenty in respect of certain facilities. Accordingly, we are regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “**CLRA Act**”), and the rules framed thereunder which requires us to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities, and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time-period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Industrial Disputes Act, 1947, as amended, provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

The Employee’s Compensation Act, 1923 (the “**Employee’s Compensation Act**”) aims at providing financial protection to employees and their dependents in case of accidental injury by means of payment of compensation by the employers. The compensation is also payable for some occupational diseases contracted by employees during the course of their employment. The Employee’s Compensation Act prescribes that if personal injury is caused to an employee by accident during employment, his employer would be liable to pay him compensation.

We are subject to other laws concerning condition of working, benefit and welfare of our labourers and employees such as:

- The Industrial Employment (Standing Orders) Act, 1946
- The Employees State Insurance Act 1948
- The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Equal Remuneration Act, 1976
- The Child Labour (Protection Regulation) Act, 1986
- The Maternity Benefit Act, 1961
- The Apprentices Act, 1961
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Interstate Migrant Workmen Act, 1979
- The Trade Unions Act, 1926

The Occupational Safety, Health and Working Conditions Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different dates may be appointed for different provisions of the Occupational Safety, Health and Working Conditions Code, 2020. Once effective, it will subsume, *inter alia*, the Factories Act and the CLRA Act.

The Code on Social Security, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Social Security, 2020. Once effective, it will subsume, *inter alia*, the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972.

The Code on Wages, 2019 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Wages, 2019. Once effective, it will subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936.

The Industrial Relations Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Industrial Relations Code, 2020. Once effective, it will subsume the Trade Union Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Dispute Act, 1947.

Uttar Pradesh Shops and Commercial Establishments Act, 1962 ("U.P. Shops and Commercial Establishments Act")

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. The U.P. Shops and Commercial Establishments Act regulates the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislation.

Foreign Trade Laws

The Foreign Trade (Regulation and Development) Act, 1992 ("FTA") and the rules framed thereunder

The FTA is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions for development and regulation of foreign trade by facilitating imports and increasing exports; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exceptions; (iii) is authorised to formulate and announce the foreign trade policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the FTA, including formulation and implementation of the foreign trade policy. The FTA requires every importer as well as exporter to obtain the Importer Exporter Code Number ("IEC") from the Director-General or the authorized officer. The Director General is authorised to suspend or cancel IEC in specified circumstances.

The Foreign Trade Policy ("FTP")

The FTP helps in envisaging a legal framework for trade facilitation in existing markets and products as well as exploring new products and new markets. India's current FTP (2015-20) (as extended until March 31, 2021) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour intensive sectors.

Other applicable laws

Consumer Protection Act, 2019 (the "Consumer Protection Act")

The Consumer Protection Act was designed and enacted to provide simpler access to redress consumer grievances. It seeks, *inter alia* to promote and protect the interest of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers or service providers or traders. It establishes consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or corrective orders, the forums and commissions under the Consumer Protection Act are empowered to impose imprisonment of not less than a month, but not exceeding three years, or a fine of not less than ₹25,000, but not more than ₹100,000 or both.

The Bureau of Indian Standards Act, 2016 (the “BIS Act”)

The BIS Act provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, *inter-alia*, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

The Legal Metrology Act, 2009 (the “Metrology Act”)

The Metrology Act has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weight & Measurement (Enforcement) Act, 1985. The Metrology Act provides for establishment and enforcement of standards of weights and measures and for regulation of trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The key features of the Metrology Act include appointment of government-approved test centres for verification of weights and measures, allowing companies to authorize any of its directors to be responsible to ensure that no offence is committed by a company under the Metrology Act and penalties for violation of the provisions of the Metrology Act.

The Legal Metrology (Packaged Commodities) Rules, 2011 regulate pre-packaged commodities in India and *inter alia* mandate certain labelling requirements prior to sale of such commodities.

Tax laws

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

1. Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
2. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;
3. The Integrated Goods and Service Tax Act, 2017 and rules thereof;
4. Professional Tax state-wise legislations; and
5. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

Intellectual Property Laws

Certain laws relating to intellectual property rights such as trademark protection under the Trade Marks Act, 1999 (the “**Trade Marks Act**”) are applicable to us.

The Trade Marks Act, which came into force on December 30, 1999, along with the rules and regulations made thereunder govern the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. In India, trademarks enjoy protection under both statutory and common law. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and prevents the fraudulent use of marks in India.

The Trade Marks Act permits the registration of trade marks for goods and services. Certification trademarks and collective marks can also be registered under the Trade Marks Act. The Registrar of Trade Marks is the authority responsible for, among other things, registration of trade marks, settling opposition proceedings and rectification of the register of trade marks. The Trade Marks (Amendment) Act, 2010 has been enacted to cover Indian nationals as well as foreign nationals to secure simultaneous protection of trade marks in other countries. The Trade Marks (Amendment) Rules, 2013 were enacted to give effect to the Trade Mark (Amendment) Act, 2010.

Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, relevant central and state tax laws, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for over day to day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'India Pesticides Private Limited', a private limited company at Bareilly, Uttar Pradesh under the Companies Act, 1956 on December 13, 1984 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh at Kanpur. Subsequently, pursuant to a deed of dissolution dated June 30, 1987, our Company acquired the entire rights and liabilities of 'India Pesticides' a partnership firm formed under the Indian Partnership Act, 1932, where our Company was one of the partners at the time of dissolution of the firm. With effect from March 31, 1993, our Company became a deemed public company under Section 43A(1A) of the Companies Act, 1956, the word 'Private' was removed from the name of our Company and the certificate of incorporation of our Company was endorsed by the Registrar of Companies, Uttar Pradesh at Kanpur to that effect. Subsequently, pursuant to a special resolution passed by the Shareholders of our Company in its annual general meeting on September 30, 2002, our Company was converted into a public limited company. A fresh certificate of incorporation dated April 24, 2003 consequent upon conversion into a public limited company under the Companies Act, 1956 was issued to our Company by the Registrar of Companies, Uttar Pradesh and Uttaranchal at Kanpur.

Changes in the registered office

There has been no change in the registered office of our Company since the date of incorporation.

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- (1) *To convert, acquire, take over and take possession by law of the business and the undertaking with all its movable and immovable assets (including actionable claims) and all other rights, benefits, titles, interests, approvals, registrations, permits, facilities, concessions, sanctions, privileges, licences, debts belonging to or held by the subscribers hereto in connection with the business carried on by them in partnership under the name and style of India Pesticides, 35-A, Civil Lines, Bareilly and to undertake and discharge all the liabilities in respect of any debt or obligation incurred or any contract entered into by to, with or on behalf of the aforesaid partnership and the goodwill, if any of such business on the terms and conditions as may mutually be agreed upon between the Partners of the said firms and the Promoters of our Company.*
- (2) *To carry on the business as manufacturers, producers, refiners, processors, miners, buyers, sellers, exporters and importers of and dealers in and with oil and any fats, enzymes, acids, amino acids, sulphates by any chemical or synthetic process, active pharmaceuticals ingredients, manures, their mixtures and formulation, dips, sprays, vermifuges, fungicides, herbicides, insecticides, pesticides, germicides, rodenticides, weedicides, disinfecting preparations, fumigators, plant remedies, formulated pesticides and preservatives of all kinds and by products of these mentioned items.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders' resolution/ Effective date	Particulars
December 21, 2020	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹35,000,000 divided into 350,000 equity shares of ₹100 each to ₹150,000,000 divided into 1,500,000 equity shares of ₹100 each.
December 28, 2020	- Clause V of the MoA was amended to reflect the sub-division of the authorised share capital of our Company from ₹150,000,000 divided into 1,500,000 equity shares of ₹100 each to ₹150,000,000 divided into 150,000,000 Equity Shares of ₹1 each. - Additionally, amendments were carried out to the MoA to ensure compliance with the requirements of the Companies Act, 2013 and the stock exchanges.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Calendar year	Event
2020	Registration of our Company's in-house research and development unit situated at Tiwariganj, Chinhath, Lucknow and Sandila, Hardoi with the DSIR until March 31, 2023
2018	Commencement of export of herbicide Technicals manufactured at our Company's manufacturing facility situated at Sandila, Hardoi, Uttar Pradesh
2015	Commencement of commercial production at our Company's manufacturing facility situated at Sandila, Hardoi, Uttar Pradesh
2009	Registration of our Company's in-house research and development unit situated at Tiwariganj, Chinhath, Lucknow with the DSIR
2003	Conversion of our Company into a public limited company
1993	Classification of our Company as a 'deemed public company' under Section 43A(1A) of the Companies Act, 1956 and removal of the word 'Private' from the name of our Company
1991	Commencement of commercial production at our Company's manufacturing facility situated at Dewa Road, Chinhath, Uttar Pradesh
1987	Acquisition of entire assets and liabilities of the partnership firm 'India Pesticides' by our Company
1984	Incorporation of our Company as 'India Pesticides Private Limited'

Awards, accreditations and recognitions received by our Company

Calendar year	Awards and Accreditations
2020	- The Quality Management System of our Company's Corporate Office and manufacturing facility situated at Dewa Road, Chinhath, Lucknow, Uttar Pradesh and the research and development facility situated at Tiwariganj, Chinhath, Lucknow, Uttar Pradesh have been certified to conform to ISO 9001:2015 for manufacturing, export and sales of pesticides, chemicals and bulk drugs pursuant to a certificate dated November 28, 2020 until November 27, 2023 - The Customer Satisfaction and Complaint Management System of our Company's Corporate Office and manufacturing facility situated at Dewa Road, Chinhath, Lucknow, Uttar Pradesh and the research and development facility situated at Tiwariganj, Chinhath, Lucknow, Uttar Pradesh have been certified to conform to ISO 10002:2018 for manufacturing, export and sales of pesticides, chemicals and bulk drugs pursuant to a certificate dated November 28, 2020 until November 27, 2023 - The Occupational Health and Safety Management System of our Company's Corporate Office and manufacturing facility situated at Dewa Road, Chinhath, Lucknow, Uttar Pradesh and the research and development facility situated at Tiwariganj, Chinhath, Lucknow, Uttar Pradesh have been certified to conform to ISO 45001:2018 (OHSAS) for manufacturing, export and sales of pesticides, chemicals and bulk drugs pursuant to a certificate dated November 28, 2020 until November 27, 2023 - The Environment Management System of our Company's Corporate Office and manufacturing facility situated at Dewa Road, Chinhath, Lucknow, Uttar Pradesh and the research and development facility situated at Tiwariganj, Chinhath, Lucknow, Uttar Pradesh have been certified to conform to ISO 14001:2015 for manufacturing, export and sales of pesticides, chemicals and bulk drugs pursuant to a certificate dated November 28, 2020 until November 27, 2023 - The Quality Management System of our Company's manufacturing facility situated at Sandila, Hardoi, Uttar Pradesh has been certified to conform to ISO 9001:2015 for manufacturing, export and sales of pesticides, intermediate and agro-chemicals pursuant to a certificate dated September 15, 2018 until September 14, 2021 - The Occupational Health and Safety Management System of our Company's manufacturing facility situated at Sandila, Hardoi, Uttar Pradesh has been certified to conform to ISO 18001:2007 (OHSAS) for manufacturing, export and sales of pesticides, intermediate and agro-chemicals pursuant to a certificate dated September 15, 2018 until September 14, 2021 - The Customer Satisfaction and Complaint Management System of our Company's manufacturing facility situated at Sandila, Hardoi, Uttar Pradesh has been certified to conform to ISO 10002:2018

Calendar year	Awards and Accreditations
	for manufacturing, export and sales of pesticides, intermediate and agro-chemicals pursuant to a certificate dated September 15, 2018 until September 14, 2021 The Environment Management System of our Company's manufacturing facility situated at Sandila, Hardoi, Uttar Pradesh has been certified to confirm to ISO 14001:2015 for manufacturing, export and sales of pesticides, intermediate and agro-chemicals pursuant to a certificate dated September 15, 2018 until September 14, 2021
2020	- The rating assigned to the long term bank facilities of our Company was reaffirmed as 'CARE A-; Positive' and the outlook in respect of the same was revised from 'Stable' to 'Positive' by CARE Ratings on March 2, 2020 - The rating assigned to the long/ short term bank facilities of our Company was reaffirmed as 'CARE A-; Positive/ CARE A2+' and the outlook in respect of the same was revised from 'Stable' to 'Positive' by CARE Ratings on March 2, 2020 - The rating assigned to the short term bank facilities of our Company was reaffirmed as 'CARE A2+' by CARE Ratings on March 2, 2020
2019	Our Company was awarded for its excellent performance as "Most Cooperative Partner" for Financial Year 2018-19 by Rallis India Limited

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

Except the issue and allotment of 16,930 equity shares of our Company to Industrial Development Bank of India on January 18, 2005 (on account of conversion of overdue interest on the facility availed by our Company from Industrial Development Bank of India), there have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks. For details regarding the restructuring of the borrowing from Industrial Development Bank of India, see "*Capital Structure*" on page 85.

Significant financial or strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see "*Our Business*" on page 134.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in the last 10 years.

Holding Company

As of the date of this Draft Red Herring Prospectus, our Company has no holding company.

Our subsidiaries and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company has one subsidiary.

Shalvis Specialities Limited ("SSL")

Corporate Information

SSL was incorporated on January 18, 2021 as a public company limited by shares under the Companies Act, 2013. Its corporate identification number is U24290UP2021PLC140490. It has its registered office at 35-A, Civil Lines, Bareilly 243 001.

SSL is authorised to engage in the business of among other things, manufacture, production, formulation, sale and trade of all types of agricultural chemicals and pesticides under the objects clause of its memorandum of association.

Capital Structure

The authorised share capital of SSL is ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up share capital of SSL is ₹8,000,000 divided into 800,000 equity shares of ₹10 each.

Shareholding

As of the date of this Draft Red Herring Prospectus, the shareholding pattern of SSL is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
India Pesticides Limited	799,994	99.99
Sanju Agarwal [^]	1	Negligible
Komal Swarup Agarwal [^]	1	Negligible
Kajaree Swarup Agarwal [^]	1	Negligible
Anand Swarup Agarwal [^]	1	Negligible
Vishwas Swarup Agarwal [^]	1	Negligible
Vishal Swarup Agarwal [^]	1	Negligible
Total	800,000	100.00*

**Subject to impact of rounding off to two decimal places*

[^] Holding equity shares in SSL as a nominee shareholder of our Company

There are no accumulated profits or losses of SSL not accounted for by our Company.

Our Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

Details of guarantees given to third parties by the Promoter Selling Shareholder

The guarantees issued by our Promoter Selling Shareholder to third parties have been issued towards various credit facilities availed from Bank of India by our Company. The details of such guarantees are as follows:

Sl. No.	Guarantee amount (in ₹ millions)*
1.	180
2.	80
3.	240
4.	143
5.	25
6.	20
7.	150

**All fund based and non-fund based facilities are guaranteed, inter alia, by the Promoter Selling Shareholder. Our Company does not pay any guarantee commission to the guarantors.*

The abovementioned guarantees are effective for a period till the underlying loan is repaid by our Company and has been obtained to secure the loan/ facility availed by our Company from Bank of India. The financial implications in case of default by our Company would entitle the lender to invoke the personal guarantees provided by our Promoter Selling Shareholder, amongst others, to the extent of outstanding loan/ facility amount.

Shareholders' agreements and other agreements

As of the date of this Draft Red Herring Prospectus, there are no subsisting shareholders' agreements.

Agreements with Key Managerial Personnel, Director, Promoters or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors on the Board of Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors including three Independent Directors, two non-executive Directors and one whole time executive Director. Our Board includes one woman director.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Red Herring Prospectus:

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
1.	Anand Swarup Agarwal Designation: Chairman and Non-executive Director Address: Swarup Bhawan, Water Works Road, Aishbagh, Lucknow 226 001, Uttar Pradesh Occupation: Business Date of birth: January 23, 1945 Period and term: For a period of two years commencing from October 6, 2020 and liable to retire by rotation DIN: 00777581	76	Nil
2.	Rajendra Singh Sharma Designation: Whole-time Director Address: E-2866, Rajajipuram, Avas Vikas Colony, Lucknow 226 017, Uttar Pradesh, India Occupation: Service Date of birth: July 10, 1944 Period and term: For a period of five years commencing from October 1, 2018 DIN: 02487797	76	- Anand Herbal Limited; - Shalvis Specialities Limited; and - Swarup Publication Private Limited
3.	Rahul Arun Bagaria Designation: Non-Executive Director Address: 1301/1302, Gulmohar Heights, Gulmohar Cross Road No 8, JVPD Scheme, Juhu, Mumbai 400 049, Maharashtra Occupation: Professional Date of birth: August 16, 1989 Period and term: For a period of five years commencing from January 23, 2021 DIN: 06611268	31	Nil
4.	Adesh Kumar Gupta Designation: Independent Director Address: 701, Tagore Avenue, Tagore Road, Santacruz West, Mumbai 400 054, India Occupation: Professional	64	- Anand Rathi Global Finance Limited; - Aditya Birla Insurance Brokers Limited; - Care Ratings Limited; - Essel Finance AMC Limited;

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
	Date of birth: September 11, 1956 Period and term: For a period of five years commencing from January, 23 2021 DIN: 00020403		• Krazybee Services Private Limited; • Vinati Organics Limited; and • Zee Entertainment Enterprises Limited
5.	Mohan Vasant Tanksale Designation: Independent Director Address: C-3105, 31st Floor, Obero Exquisite, Goregaon (East), Mumbai 400 063, Maharashtra, India Occupation: Service Date of birth: July 31, 1953 Period and term: For a period of five years commencing from December 21, 2020 DIN: 02971181	67	• Anand Rathi Wealth Services Limited; • Centrum Housing Finance Limited; • Electronica Finance Limited; • Fort Finance Limited; • Green Bridge Capital Advisory Private Limited; • Lachhmidhar Kanshiram Finserv Private Limited; • Ladderup Finance Limited; • New Opportunity Consultancy Private Limited • Raja Bahadur International Limited; • Reach Ajcon Technologies Private Limited; • Rubix Data Sciences Private Limited; and • Yes Asset Management (India) Limited;
6.	Madhu Dikshit Designation: Independent Director Address: C-95, Sector -M, Aliganj, S.O. Lucknow 226024, Uttar Pradesh, India Occupation: Consultancy Date of birth: November 21, 1957 Period and term: For a period of five years commencing from December 21, 2020 DIN: 08495360	63	• Bharat Immunologicals and Biologicals Corporation Limited.

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

Anand Swarup Agarwal is the Chairman and non-executive Director of our Company. He holds a bachelor's degree in law from the University of Lucknow. He has over 35 years of experience in agrochemical manufacturing. He is one of the Promoters and one of the founders of our Company. In the year 2003, the Government of India, Ministry of Finance (Department of Economic Affairs – Banking Division) nominated him as a part time non-official director on the board of directors of Punjab National Bank for a period of three years from November 25, 2003. He has also been a director on the board of directors of PNB Gilts Limited. He has been awarded with the UP Ratan award in the year 2013 by the All India Conference of Intellectuals.

Rajendra Singh Sharma is a whole-time Director of our Company. He holds a bachelor's degree of science in agriculture from the University of Meerut. He has been associated with the Company since last 22 years and was initially appointed as a director of our Company on June 10, 1998. He has experience in agro-chemical manufacturing.

Rahul Arun Bagaria is the Non-Executive Director of our Company. He holds a bachelor's degree in commerce from University of Mumbai and is a Qualified Chartered Accountant. He has more than five years of professional experience and expertise in corporate law and taxation.

Adesh Kumar Gupta is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Jodhpur and is a qualified chartered accountant. He is a registered insolvency professional with the Insolvency and Bankruptcy Board of India. He previously held the position of whole time director and chief financial officer at Grasim Industries Limited and has also been a director at Ultra Tech Cement Limited.

Mohan Vasant Tanksale is an Independent Director of our Company. He is a member of the Institute of Cost and Works Accountants of India. He was previously the chairman and managing director of Central Bank of India and was an executive director on the board of Punjab National Bank till June 2011.

Madhu Dikshit is an Independent Director of our Company. She holds a master's degree in science (bio chemistry) from the University of Allahabad and a PhD in chemistry from the Chhatrapati Shahuji Maharaj University, Kanpur. In the past, she has been associated with the CSIR – Central Drug Research Institute, Lucknow as a director and has been a visiting professor of Indian Institute of Technology, Jodhpur. She has also been appointed as the national chair of the Transitional Health Science and Technological Institute, Faridabad.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their 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 their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have any interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of appointment of Directors

1. Remuneration to whole-time Directors:

Rajendra Singh Sharma

Rajendra Singh Sharma was re-appointed as a whole-time Director for a period of five years pursuant to Shareholder's resolution dated September 29, 2018. Subsequently, he was re-appointed as a whole-time Director of our Company pursuant to a Board resolution dated December 10, 2020 and Shareholders' resolution dated December 21, 2020. The remuneration to Rajendra Singh Sharma was ₹0.60 million in Fiscal 2020. Our Board and the Shareholders, pursuant to resolutions dated December 10, 2020 and December 21, 2020, respectively, have approved the following remuneration payable to him:

Term	For a period of five years, w.e.f. October 1, 2018
Remuneration	- Consolidated salary: ₹55,265 per month 10% annual salary increase every year

2. Compensation to Non- Executive Directors and Independent Directors:

Pursuant to Board resolution dated December 10, 2020, our non-executive Directors and Independent Directors are entitled to receive sitting fees of ₹100,000 per meeting of the Board and ₹50,000 for attending meetings of the committees of our Board and reimbursement of expenses, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

The details of remuneration paid to our non-executive Directors and Independent Directors during Fiscal 2020 are as follows:

S. No.	Name of Director	Sitting fees paid (in ₹ million)
1.	Anand Swarup Agarwal ^{#+}	Nil
2.	Mohan Vasant Tanksale [^]	Nil
3.	Madhu Dikshit [^]	Nil
4.	Rahul Arun Bagaria [#]	Nil
5.	Adesh Kumar Gupta [^]	Nil
6.	Govind Singh Mehta [*]	0.08
7.	Pranav Agarwal [*]	0.04
8.	Shweta Agarwal [*]	0.04

^{*} Pranav Agarwal, Govind Singh Mehta and Shweta Agarwal ceased to be the directors on the Board of our Company with effect from September 29, 2020, December 10, 2020 and December 21, 2020, respectively.

[#] Anand Swarup Agarwal and Rahul Arun Bagaria were appointed as non-executive Directors of our Company after March 31, 2020, and hence were not paid any remuneration during Fiscal 2020.

[^] Mohan Vasant Tanksale, Adesh Kumar Gupta and Madhu Dikshit were appointed as Independent Directors of our Company, after March 31, 2020 and hence were not paid any remuneration for Fiscal 2020.

⁺ Anand Swarup Agarwal was paid an amount of ₹12 million as professional fees during Fiscal 2020.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed as a director.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

The shareholding of the Directors of our Company as on the date of filing of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Director	Number of Equity Shares	Pre-Offer (%)
1.	Anand Swarup Agarwal [*]	44,789,850	40.07

^{*} Anand Swarup Agarwal is the trustee of the ASA Family Trust and co-trustee of the MSA Family Trust, the VSA Family Trust and the PSA Family Trust. For further details see "Our Promoter and Promoter Group" on page 173

None of our Directors hold any employee stock options of our Company.

Interests of Directors

Other than Anand Swarup Agarwal, our Directors have no interest in the promotion of our Company. For details on the interest of Anand Swarup Agarwal in our Company, see "Our Promoters and Promoter Group" on page 173.

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Except as stated in "Other Financial Information- Related Party Transactions" and "Our Promoter and Promoter Group" on pages 233 and 173, and as disclosed in this section, our Directors do not have any other interest in our business.

Our Directors may be regarded as interested in our Company to the extent of their shareholding in our Company and to the extent of any dividend payable to them in respect of such shareholding. Further, our Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Offer. For instance, our Chairman, non-executive Director and Promoter, Anand Swarup Agarwal is the trustee of the ASA Family Trust and a co-trustee in the MSA Family Trust, VSA Family Trust and PSA Family Trust. Anand Swarup Agarwal as trustee of the ASA Family Trust and co-trustee of the MSA Family Trust, VSA Family Trust and PSA Family Trust is authorised to exercise voting rights to be exercised as shareholder in respect of the Equity Shares held by the ASA Family Trust, MSA Family Trust, PSA Family Trust and VSA Family Trust. For further details, see "Capital Structure" and "Our Promoters and Promoter Group" on pages 85 and 173. Further, the relatives of one of our non-executive Directors, Rahul Arun Bagaria, hold 371,380 Equity Shares in our Company aggregating to 0.33% of the issued and paid up Equity Share capital of our Company and Rahul Arun Bagaria is interested to the extent his relatives hold such shareholding in our Company. Further, the relatives of our Director, Rahul Arun Bagaria, are also the shareholders of Bagaria & Company Private Limited, Advisors to the Offer as well as shareholders in our Company. For further details, see "General Information" on page 77 and "Capital Structure – Notes to Capital Structure - Share Capital History of our Company – Equity Share Capital" on page 85.

Except as stated in “*Our Promoter and Promoter Group*” on page 173, none of our Directors have any interest in any property acquired or proposed to be acquired of the Company or by the Company.

Except for dividends paid to our Director, Anand Swarup Agarwal, in his capacity as a Shareholder of our Company and professional fees paid to Anand Swarup Agarwal, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

None of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Kuruba Adeppa	February 8, 2021	Resignation as whole-time director
Sanjay Khatau Asher	February 8, 2021	Resignation as independent director
Rahul Arun Bagaria	January 25, 2021	Appointed as non-executive director
Adesh Kumar Gupta	January 25, 2021	Appointed as independent director
Rahul Arun Bagaria	January 23, 2021	Appointed as additional non-executive director
Adesh Kumar Gupta	January 23, 2021	Appointed as additional independent director
Kuruba Adeppa	December 21, 2020	Appointed as whole-time director
Sanjay Khatau Asher	December 21, 2020	Appointed as independent director
Mohan Vasant Tanksale	December 21, 2020	Appointed as independent director
Madhu Dikshit	December 21, 2020	Appointed as independent director
Shweta Agarwal	December 21, 2020	Resignation as independent director
Rajendra Singh Sharma	December 21, 2020	Re-appointed as a whole-time director
Kuruba Adeppa	December 10, 2020	Appointed as additional director
Ashok Kumar Gupta	December 10, 2020	Resignation as a whole-time director
Govind Singh Mehta	December 10, 2020	Resignation as non-executive director
Anand Swarup Agarwal	October 6, 2020	Appointment as chairman and non-executive director
Pranav Agarwal	September 29, 2020	Resignation as independent director
Anand Swarup Agarwal	September 10, 2020	Appointment as additional director
Rajendra Singh Sharma	September 30, 2019	Re-appointed as a whole-time director
Ashok Kumar Gupta	September 30, 2019	Re-appointed as a whole-time director
Rajendra Singh Sharma	September 29, 2018	Re-appointed as a whole-time director
Ashok Kumar Gupta	September 29, 2018	Re-appointed as a whole-time director
Govind Singh Mehta	September 29, 2018	Appointed as non-executive director

Borrowing Powers of Board

Pursuant to our Articles of Association and the board and shareholders resolutions dated August 31, 2015 and September 30, 2015, respectively and in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, and subject to the memorandum of association and articles of association of our Company, our Board is authorised to borrow, from time to time, any sum or sums of money in Indian currency or any other foreign currency from any bank, financial institution or any other lender, Indian or foreign, which 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) may exceed aggregate of the paid up capital of our Company and its free reserves not set apart for any specific purpose, provided that the total amount of money so borrowed shall not, at any time exceed the limit of ₹1,250.00 million.

Corporate Governance

The corporate governance provisions of the Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the corporate governance requirements and the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, particularly in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the Listing Regulations and the guidelines issued thereunder from time to time. Our Board comprises six Directors including three Independent Directors, two non-executive Directors and one whole-time executive Director. Our Board includes one woman director.

Our Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board of Directors detailed reports on its performance periodically.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Mohan Vasant Tanksale, *Chairman*;
2. Adesh Kumar Gupta; and
3. Rahul Arun Bagaria.

The Audit Committee was last reconstituted by the Board of Directors at their meeting held on February 8, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Audit Committee include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013, as amended;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications and modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Examination of the financial statement and auditor's report thereon;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and making appropriate recommendations to the Board to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the whistle blower mechanism;
21. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
22. Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;
23. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
6. statement of deviations as and when becomes applicable:
 - (a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Adesh Kumar Gupta, *Chairman*;
2. Madhu Dikshit; and
3. Rahul Arun Bagaria

The Nomination and Remuneration Committee was last reconstituted by the Board of Directors at their meeting held on January 23, 2021. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
 3. Devising a policy on diversity of Board;
 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
 5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 6. Recommending to the Board, all remuneration, in whatever form, payable to senior management.
 7. Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws; and
 8. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Anand Swarup Agarwal, *Chairman*;
2. Rajendra Singh Sharma; and
3. Adesh Kumar Gupta.

The Stakeholders' Relationship Committee was constituted by the Board of Directors at their meeting held on January 23, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
2. To review measures taken for effective exercise of voting rights by shareholders;
3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review 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; and

5. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Risk Management Committee

The members of the risk management committee are:

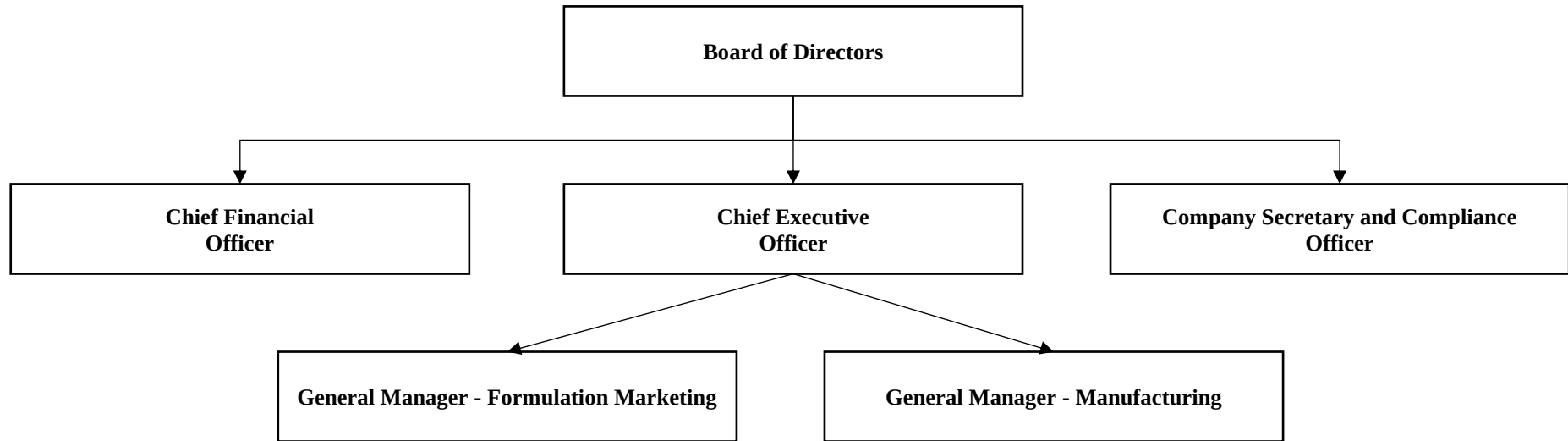
1. Madhu Dikshit, *Chairperson*;
2. Adesh Kumar Gupta;
3. Anand Swarup Agarwal;
4. Satya Prakash Gupta; and
5. Dheeraj Kumar Jain.

The Risk Management Committee was last reconstituted pursuant to the board resolution dated February 8, 2021. The scope and function of the Risk Management Committee is in accordance with the Companies Act, 2013 and the Listing Regulations.

Other committees of our Company

In addition to the committees mentioned in “- *Committees of the Board*” on page 166, our Company has constituted various other committees, such as the CSR Committee to oversee and govern various internal functions and activities of our Company.

Management Organisation Chart



Key Managerial Personnel

The details of the Key Managerial Personnel of our Company are as follows:

Rajendra Singh Sharma is the whole-time Director of our Company. For further details in relation to him, see “– *Brief Biographies of Directors*” on page 162. For details of compensation paid to them, see “*Terms of Appointment of Directors*” on page 163.

Dheeraj Kumar Jain is the Chief Executive Officer of our Company for a period of five years from January 23, 2021. He holds a bachelor’s degree and a master’s degree in chemical engineering from Osmania University, Hyderabad India. He joined our company on December 1, 1995. He has more than 25 years of experience with the Company and has been responsible for product development, international business development and project engineering. Prior to joining our Company he has worked with Indian Institute of Chemical Technology, Hyderabad. The gross total remuneration paid to him in Fiscal 2020 was ₹4.48 million.

Satya Prakash Gupta is the Chief Financial Officer of our Company. He holds a bachelor’s degree in commerce from the University of Allahabad. He is an associate member of the Institute of Cost Accountants of India and an associate of the Institute of Chartered Accountants of India. He has over 27 years of experience in the field of finance. Prior to joining our Company, he has worked at Delite Commercial Limited and Trimurtee Fertilisers Limited. He joined our Company on January 1, 1994 as a finance advisor and was subsequently appointed as the Chief Financial Officer of our Company on September 25, 2020 with effect from November 1, 2020. The gross remuneration paid to him in Fiscal 2020 was ₹1.14 million.

Ajeet Pandey is the Company Secretary and Compliance Officer of our Company. He holds bachelor’s in commerce from Dr. Ram Manohar Lohia Awadh University, Faizabad and a bachelor’s degree in law from the Chhatrapati Shahu Ji Maharaj University, Kanpur. He is an associate member of the Institute of Company Secretaries of India and has prior experience in secretarial services. Prior to joining our Company, he has worked with Jagran Prakashan Limited as a secretarial officer. He joined our Company as the company secretary on October 1, 2020. Since he joined our Company after March 31, 2020, he was not paid any remuneration in Fiscal 2020.

Ajai Kumar Sinha is the general manager - formulation marketing of our Company. He holds a master of technology degree (chemical technology) from Kanpur University and a master’s degree in business administration from Punjab Technical University, Jalandhar. He joined our Company on April 1, 1991 and has experience in the field of marketing. The gross remuneration paid to him in Fiscal 2020 was ₹0.79 million.

B.T. Hanumantha Reddy is the general manager - manufacturing of our Company. He holds a bachelor’s degree in engineering from Bangalore University. Prior to joining our Company he has previously worked with Balaji Amines Limited, Insecticides (India) Limited, Kanoria Chemicals & Industries Limited, Nagarjuna Agrichem Limited, Rallis India Limited, Watsol Organics Limited, Vantech Pesticides Limited, NetMatrix Crop Care Limited and Chemagro International Limited and has experience in the field of operations and project management. He joined our Company on August 5, 2019. The gross remuneration paid to him in Fiscal 2020 was ₹1.07 million.

Relationship between our Key Managerial Personnel and Directors

None of the Key Managerial Personnel are either related to each other or to the Directors.

Shareholding of Key Managerial Personnel

None of our Key Managerial Personnel hold any Equity Shares in our Company. For further details, see “*Capital Structure*” on page 85.

Bonus or Profit Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of the Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as a Key Managerial Personnel or member of senior management.

Changes in the Key Managerial Personnel

Except as disclosed under “- *Changes in the Board in last three years*” on page 165 and as set out below, there have been no changes in the Key Managerial Personnel in the last three years.

Name	Date of change	Reason for change
Ajai Kumar Sinha	February 1, 2021	Appointed as general manager – formulation marketing
Dheeraj Kumar Jain	January 23, 2021	Appointed as CEO
Satya Prakash Gupta	November 1, 2020	Appointment as CFO
Ajeet Pandey	October 1, 2020	Appointed as Company Secretary and Compliance Officer
B.T. Hanumantha Reddy	August 5, 2019	Appointed as general manager – manufacturing

Service Contracts with Directors and Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and our Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment. Further, none of our Directors have entered into a service contract with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years.

Contingent and deferred compensation payable to our Directors and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company’s officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Employees Stock Options

Our Company does not have an employee stock option scheme.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Anand Swarup Agarwal and the ASA Family Trust are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters, in the aggregate, hold 52,506,967 Equity Shares, which aggregates to 46.97% of the pre-Offer, issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*" on page 85.

Details of our Promoters

Anand Swarup Agarwal



Anand Swarup Agarwal, aged 76 years (date of birth - January 23, 1945), is a Promoter and Chairman and non-executive Director of our Company. He is currently residing at Swarup Bhawan, Water Works Road, Aishbagh, Lucknow 226 001, Uttar Pradesh. He holds a bachelor's degree in law from the University of Lucknow, and started the business of manufacturing chemicals and pesticides under the partnership firm called 'India Pesticides' on January 1, 1974. The entire rights and liabilities of the partnership firm were subsequently acquired by our Company pursuant to a deed of dissolution dated June 30, 1987.

In addition to being one of the founders of our Company and providing strategic guidance to our Company's business activities, Anand Swarup Agarwal was nominated by the Government of India, Ministry of Finance (Department of Economic Affairs – Banking Division) as a part-time Non-Official Director on the Board of Punjab National Bank for three years from November 25, 2003. He has over 35 years of experience in agro chemical manufacturing. He has also been a

director on the board of directors of PNB Gilts Limited. He has been awarded with the UP Ratan award in the year 2013 by the All India Conference of Intellectuals.

The permanent account number of Anand Swarup Agarwal is ABKPA4311M. The Aadhar card number of Anand Swarup Agarwal is 689715103748.

Our Company confirms that the PAN, bank account number and passport number of Anand Swarup Agarwal shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

ASA Family Trust

The ASA Family Trust was settled pursuant to a trust deed dated December 9, 2020. The office of the ASA Family Trust is located at 35-A, Civil Lines, Bareilly – 243 001, Uttar Pradesh. The permanent account number of the ASA Family Trust is AAITA2711J.

Anand Swarup Agarwal is the sole settlor of the ASA Family Trust.

Trustees

Anand Swarup Agarwal is the trustee of the ASA Family Trust, as on the date of this Draft Red Herring Prospectus.

Beneficiaries of the ASA Family Trust

The beneficiaries of the ASA Family Trust include Sanju Agarwal, Vishwas Swarup Agarwal and Vishal Swarup Agarwal and any other beneficiary (including contingent beneficiaries) that may be added in accordance with the trust deed of the ASA Family Trust.

Objects and Function

The overall objective of the ASA Family Trust is to have and hold the property of the ASA Family Trust for and on behalf of, and for the benefit of, its beneficiaries, including but not limited to:

- (a) Meeting any financial or non-financial needs/ purposes of existing beneficiaries of the ASA Family Trust including health, education, maintenance, and support (including but not limited to payment of insurance premium, marriage and maintenance);

- (b) Ensuring seamless and effective succession planning mechanism and intergenerational transfer of the corpus of the ASA Family Trust and income among the beneficiaries; and
- (c) Providing for consolidation of assets for efficient administration and management.

Our Company confirms that the permanent account number and bank account numbers of the ASA Family Trust will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Change in the management and control of our Company

Our Promoter, Anand Swarup Agarwal, is the original promoter of our Company, and there has been no effective change in the management and control of our Company in the five years preceding the date of this Draft Red Herring Prospectus. While one of our Promoters, i.e. the ASA Family Trust, and certain trusts forming part of the Promoter Group, viz. the MSA Family Trust, the VSA Family Trust and the PSA Family Trust have acquired Equity Shares pursuant to gifts from individual members of our Promoter, Promoter Group and their extended family members during this period, such transfers have not resulted in any changes in management and control of our Company. For details in relation to the shareholding of our Promoter and Promoter Group, and changes in the shareholding of our Promoters, including in the five years preceding the date of this Draft Red Herring Prospectus, see “*Capital Structure*” on page 85.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they are promoters of our Company and to the extent of their shareholding in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them. For details, see “*Capital Structure*” and “*Our Management*” on pages 85 and 161, respectively.

Additionally, Anand Swarup Agarwal is the trustee of the ASA Family Trust and a co-trustee in the MSA Family Trust, VSA Family Trust and PSA Family Trust. Anand Swarup Agarwal in his capacity as trustee of the ASA Family Trust and in his capacity as a co-trustee of the MSA Family Trust, VSA Family Trust and PSA Family Trust is authorised to exercise all the rights as a shareholder in respect of the Equity Shares held by the ASA Family Trust, the MSA Family Trust, the VSA Family Trust and the PSA Family Trust, respectively. Our Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. Anand Swarup Agarwal also holds title as a co-owner to the property on which the Registered Office of our Company is situated. Also certain relatives of Anand Swarup Agarwal have entered into lease arrangements with our Company, for certain premises including our Corporate Office.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as a member 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 Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as disclosed in “*Other Financial Information - Related Party Transactions*” on page 233 and except as disclosed under “- *Interests of our Promoters*” on page 174 in relation to payment of lease rentals by our Company in respect of our Registered Office, no amount or benefit has been paid nor is intended to be paid or given to our Promoters or our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or Promoter Group.

Material guarantees given by our Promoters to third parties with respect to specified securities of our Company

Except as disclosed in “*History and Certain Corporate Matters - Details of guarantees given to third parties by the Promoter Selling Shareholder*”, on page 160, our Promoters have not provided any material guarantees to third parties with respect to the specified securities of our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Our Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

(a) Natural persons who are part of our Promoter Group

The following table sets forth details of the persons who form part of our Promoter Group (due to their relationship with our Promoter):

Name of the Individual Promoter	Name of the Relative	Relationship with our Promoter
Anand Swarup Agarwal	Sanju Agarwal	Spouse
	Mahendra Swarup Agarwal	Brother
	Virendra Swarup Agarwal	Brother
	Pramod Swarup Agarwal	Brother
	Rani Modi	Sister
	Indu Agarwal	Sister
	Vishwas Swarup Agarwal	Son
	Vishal Swarup Agarwal	Son
	Gopal Mangalick	Spouse's Brother
	Govind Manglick	Spouse's Brother
	Manju Bansal	Spouse's Sister
	Sunita Garg	Spouse's Sister

(b) Entities forming part of our Promoter Group:

Companies

1. Anand Herbal Limited
2. Adishakti Seeds Private Limited
3. Bareilly Flour Mills Private Limited
4. Fiza Entertainment (India) Private Limited
5. Swarup Chemicals Private Limited
6. Swarup Leasing Limited
7. Swarup Publication Private Limited
8. Usha Properties Development Private Limited

HUFs

1. A S Agarwal & Sons HUF
2. M S Agarwal & Sons HUF
3. P S Agarwal & Sons HUF
4. V S Agarwal & Sons HUF

LLPs/ Partnership Firms

1. Aahana Ventures LLP
2. Agastya Films LLP
3. Kajaree Ventures LLP
4. Komila Ventures LLP
5. Ram Swarup Cold Storage & Allied Industries
6. Sanju Ventures LLP
7. Swarup Cold Storage & Ice Factory
8. Swarup Production LLP

Trusts

1. MSA Family Trust¹
2. PSA Family Trust²
3. VSA Family Trust³

¹ The MSA Family Trust is a private trust, settled by Mahendra Swarup Agarwal, pursuant to a trust deed dated December 9, 2020 with the overall objective of having and holding the trust property for and on behalf of, and for the benefit of, its beneficiaries. Anand Swarup Agarwal and Mahendra Swarup Agarwal are the trustees of the MSA Family Trust. The beneficiaries of the MSA Family Trust shall be limited to, inter alia, the spouse, children and other lineal descendants of Mahendra Swarup Agarwal. Anand Swarup Agarwal, as co-trustee of the MSA Family Trust, is authorised to exercise all the rights to be exercised as a shareholder in respect of the Equity Shares held by the MSA Family Trust. The trust deed of the MSA Family Trust also provides for certain inter-se rights in favour of the Promoters and members of the Promoter Group, in the event of a transfer of Equity Shares by the MSA Family Trust, as per applicable law.

² The PSA Family Trust is a private trust, settled by Pramod Swarup Agarwal, pursuant to a trust deed dated December 9, 2020 with the overall objective of having and holding the trust property for and on behalf of, and for the benefit of, its beneficiaries. Anand Swarup Agarwal and Pramod Swarup Agarwal are the trustees of the PSA Family Trust. The beneficiaries of the PSA Family Trust shall be limited to, inter alia, the spouse, children and other lineal descendants of Pramod Swarup Agarwal. Anand Swarup Agarwal, as co-trustee of the PSA Family Trust, is authorised to exercise all the rights to be exercised as a shareholder in respect of the Equity Shares held by the PSA Family Trust. The trust deed of the PSA Family Trust also provides for certain inter-se rights in favour of the Promoters and members of the Promoter Group, in the event of a transfer of Equity Shares by the PSA Family Trust, as per applicable law.

³ The VSA Family Trust is a private trust, settled by Virendra Swarup Agarwal, pursuant to a trust deed dated December 9, 2020 with the overall objective of having and holding the trust property for and on behalf of, and for the benefit of, its beneficiaries. Anand Swarup Agarwal and Virendra Swarup Agarwal are the trustees of the VSA Family Trust. The beneficiaries of the VSA Family Trust shall be limited to, inter alia, the spouse, children and other lineal descendants of Virendra Swarup Agarwal. Anand Swarup Agarwal, as co-trustee of the VSA Family Trust, is authorised to exercise all the rights to be exercised as a shareholder in respect of the Equity Shares held by the VSA Family Trust. The trust deed of the VSA Family Trust also provides for certain inter-se rights in favour of the Promoters and members of Promoter Group, in the event of a transfer of Equity Shares by the VSA Family Trust, as per applicable law.

OUR GROUP COMPANIES

Pursuant to a resolution dated January 23, 2021 our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Financial Information during any of the last three Fiscals and stub period in respect of which the Restated Financial Information is included in this Draft Red Herring Prospectus; and (ii) companies with which there were related party transactions for the period after the stub period (in respect of which Restated Financial Information is included in this Draft Red Herring Prospectus) until the date of filing of the this Draft Red Herring Prospectus.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any group company.

DIVIDEND POLICY

The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable law, including the Companies Act.

The dividend policy of our Company was adopted and approved by our Board in their meeting held on February 10, 2017 (“**Dividend Policy**”). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal and external factors, which, *inter alia*, include (i) distributable surplus available as per the Companies Act, 2013 and other rules and regulations, (ii) our Company’s liquidity position and future cash flow needs, (iii) mergers and acquisitions; (iv) additional investments in subsidiaries/ associates of our Company, (v) prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution, (vi) capital expenditure, and (vii) stipulations/ covenants under the loan agreements. As per the Dividend Policy, our Board may (i) declare one or more interim dividends during the year, and (ii) declare dividend out of accumulated profits of any previous Financial Years in accordance with the provisions of the Companies Act, 2013.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see “*Financial Indebtedness*” on page 262.

Equity Shares

The details of dividend on Equity Shares declared and paid by our Company in the last three Fiscal Years, the six-month periods ended September 30, 2020 and September 30, 2019, and the period from September 30, 2020 until the date of this Draft Red Herring Prospectus are given below:

Particulars	From September 30, 2020 till the date of this Draft Red Herring Prospectus	Six-month period ended September 30, 2020	Six-month period ended September 30, 2019	Fiscal year ended March 31		
				2020	2019	2018
Face Value of equity share (₹ per share)	100	100	100	100	100	100
Dividend Rate per equity share (%)	110	-	-	20	20	20
Dividend on equity shares paid (₹)	35,015,750	-	-	6,366,500	6,366,500	6,366,500
Dividend Distribution Tax (₹)	NIL	-	-	1,296,070	1,296,070	1,296,070
Mode of payment of dividend	NEFT/ Cheque	-	-	NEFT/ Cheque	NEFT/ Cheque	NEFT/ Cheque

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. For details in relation to the risk involved, please see “*Risk Factors- Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*” on page 58.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Independent Auditors' Examination Report on the Restated Ind AS Summary Statements of Assets and Liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 and Restated Ind AS Summary Statement of Profits and Losses (including Other Comprehensive Income), Restated Ind AS Summary Statement of Cash Flows and Restated Ind AS Summary Statement of Changes in Equity, the Summary Statement of Significant Accounting Policies, and other explanatory information for six months period ended September 30, 2020 and September 30, 2019 and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018, of India Pesticides Limited (collectively, the "Restated Ind AS Summary Statements").

To,
The Board of Directors
India Pesticides Limited
Water Works Road,
Aishbagh,
Lucknow – 226 004
India

Dear Sirs / Madams,

1. We Lodha & Co, Chartered Accountants ("We" or "us") have examined the attached Restated Ind AS Summary Statements of India Pesticides Limited (the "Company") as at and for the six months ended September 30, 2020 and September 30, 2019 and as at and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 annexed to this report and prepared by the Company for the purpose of inclusion in the (i) draft red herring prospectus proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"); (ii) red herring prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies, Uttar Pradesh at Kanpur ("Registrar of Companies"); and (iii) prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies (collectively referred to as "Offer Documents") in connection with its proposed initial public offer of equity shares through a fresh issuance of equity shares of face value of Rs. 1 each of the Company and offer for sale by the certain selling shareholders of the Company (collectively, the "Offering"). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on February 8, 2021, have been prepared in accordance with the requirements of:
 - a) sub- section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
 - b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Ind AS Summary Statements

2. The preparation of the Restated Ind AS Summary Statements, which are to be included in the Offer Documents is the responsibility of the Management of the Company. The Restated Ind AS Summary Statements have been prepared by the Management of the Company on the basis of preparation, as stated in paragraph 1.1 of note 1 to the Restated Ind AS Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Ind AS Summary Statements taking into consideration:

- a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated November 11, 2020, requesting us to carry out the assignment, in connection with the Offering;
- b) The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by the ICAI.
- c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Summary Statements; and
- d) the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the Offering.

Restated Ind AS Summary Statements as per audited Financial Statements

4. The Restated Ind AS Summary Statements have been compiled by the management of the Company from:

- a) Audited Interim Ind AS financial statements of the Company as at and for the six months period ended September 30, 2020 and September 30, 2019 prepared in accordance with the Indian Accounting Standard 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 21, 2020.
- b) Audited Ind AS financial statements of the Company as at and for year ended March 31, 2020 prepared in accordance with Indian Accounting Standard (referred to as 'Ind AS') as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 (as amended) and other accounting principles generally accepted in India, which was approved by the Board of Directors at their meetings held November 11, 2020.
- c) Audited financial statements of the Company as at and for year ended March 31, 2019, prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") as prescribed under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended) which was approved by the Board of Directors at their meetings held on August 21, 2019. The management of the Company has adjusted financial information for the year ended March 31, 2019 included in such Indian GAAP financial statements, using recognition and measurement principles of Ind AS and has included such adjusted financial information as comparative financial information in the financial statements for the year ended March 31, 2019 as referred to in paragraph 4(b) above.
- d) Audited financial statements of the Company as at and for year ended March 31, 2018, prepared in accordance with Indian GAAP at the relevant time which was approved by the Board of Directors at their meetings held on August 18, 2018. The Restated Ind AS Summary Statements also includes proforma IND AS Summary Statements for the year ended March 31, 2018 which have been prepared by the management from the audited financial statements of the Company as at and for the year ended March 31, 2018; have been adjusted by the Management as described in Note 43 to the Restated Ind AS Summary Statements to make them compliant with recognition and measurement under Ind AS.

5. For the purpose of our examination, we have relied on:
- a) auditors' reports issued by us, dated December 21, 2020 on the financial statements of the Company for and as at the six months period ended September 30, 2020 and September 30, 2019 and as at and dated November 11, 2020 for year ended March 31, 2020 as referred in paragraph 4 above.
 - b) auditors' reports issued by R.K. Chari & Co., Chartered Accountants ('Previous Auditor'), dated August 21, 2019 and August 18, 2018, on the audited Indian GAAP financial statements of the Company as at and for years ended March 31, 2019 and March 31, 2018, respectively as referred in paragraph 4 above.

It should be noted that our opinion on the examination of the Restated Financial Information of the Company, in so far as it relates to the amounts included in the Restated Financial Information in respect of the year ended March 31, 2019 and March 31, 2018 relates solely to the Ind AS adjustments and restatement adjustments made to the financial statements of the Company as at and for the year ended March 31, 2019 and March 31, 2018 audited by Previous Auditor.

6. Based on our examination and according to the information and explanations given to us, we report that Restated Ind AS Summary Statements:
- a) have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 and six months period ended September 30, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2020;
 - b) have been prepared after incorporating proforma adjustments to the audited Indian GAAP Financials Statement as at and for the year ended March 31, 2018 as described in Note 43 to the Restated Ind AS Summary Statement.
 - c) does not contain any qualifications requiring adjustments.
 - d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2020. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to September 30, 2020. The Restated Ind AS Summary Statements does not reflect the events that occurred subsequent to the respective dates of the reports on the Ind AS financial statements mentioned in paragraph 4 above.
8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, Stock Exchanges and Registrar of Companies in connection with the Offering. 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.

Yours Truly,

For Lodha & Co.,
Chartered Accountants
ICAI Firm Registration No: 301051E

per R.P. Baradiya
Partner
Membership number: 44101
UDIN: 21044101AAAADM4699

Place: Mumbai
Date: February 8, 2021

INDIA PESTICIDES LIMITED

CIN : U24112UP1984PLC006894

Restated Ind AS Summary Statement of Assets and Liabilities
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	2A	919.52	781.31	950.01	697.60	687.86
Right of Use Assets	2B	42.88	42.57	42.56	-	-
Capital work-in-progress	2C	46.71	90.04	11.57	47.46	24.95
Intangible Assets	3	1.43	1.86	1.65	1.99	2.21
Intangible Assets under development		-	-	-	2.55	2.55
Financial Assets						
Investments	4	42.35	29.88	30.37	30.62	33.02
Other Financial Assets	5	48.69	40.17	48.84	37.85	38.47
Other Non-current Assets	6	5.99	25.36	20.62	19.92	9.02
Total Non current assets		1,107.57	1,011.19	1,105.62	837.99	798.08
Current Assets						
Inventories	7	589.91	485.79	385.73	355.28	192.22
Financial Assets						
Trade Receivables	8	2,248.74	1,827.07	1,831.74	1,783.13	1,247.79
Cash and Cash Equivalents	9	28.86	50.99	67.17	16.30	23.52
Other Balances with Banks	10	752.99	13.58	13.12	12.12	11.36
Other Financial Assets	11	3.30	6.54	6.75	9.68	11.66
Other Current Assets	12	195.75	121.56	246.89	157.87	118.99
Total Current Assets		3,819.55	2,505.53	2,551.40	2,334.38	1,605.54
Total Assets		4,927.12	3,516.72	3,657.02	3,172.37	2,403.62
EQUITY AND LIABILITIES						
EQUITY						
Equity Share Capital	13	31.83	31.83	31.83	31.83	31.83
Other Equity	14	3,259.51	2,104.80	2,536.56	1,838.37	1,407.32
Total Equity		3,291.34	2,136.63	2,568.39	1,870.20	1,439.15
LIABILITIES						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	15	91.38	95.80	104.44	112.64	67.56
Other Financial Liabilities	16	1.10	1.10	1.10	-	-
Provisions	17	-	-	5.39	3.66	2.47
Deferred Tax Liabilities (Net)	18	74.09	78.53	73.05	75.86	74.27
Total Non Current Liabilities		166.57	175.43	183.98	192.16	144.30
Current Liabilities						
Financial liabilities						
Borrowings	19	122.80	301.50	135.45	437.73	325.51
Trade Payables	20					
Total outstanding dues of micro enterprises and small enterprises		50.01	19.54	16.85	17.37	15.72
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,071.28	750.93	598.57	531.59	351.65
Other Financial Liabilities	21	51.75	95.78	82.36	92.34	91.75
Other Current Liabilities	22	63.44	17.82	62.54	27.52	29.17
Provisions	23	11.94	3.04	0.53	0.30	0.21
Current Tax Liabilities (Net)	24	97.99	16.05	8.35	3.16	6.16
Total Current Liabilities		1,469.21	1,204.66	904.65	1,110.01	820.17
Total Liabilities		1,635.78	1,380.09	1,088.63	1,302.17	964.47
Total Equity and Liabilities		4,927.12	3,516.72	3,657.02	3,172.37	2,403.62
Significant accounting policies and Key accounting estimates and judgements	1					
See accompanying notes to Restated IndAS Summary Financial Statements	2-44					

As per our report of even date attached

For Lodha & Co.

Chartered Accountants

ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited
R.P. Baradiya

Partner

Membership No. 44101

A. S. Agarwal

Director

DIN: 00777581

R. S. Sharma

Director

DIN: 02487797

S. P. Gupta

Chief Financial Officer

Ajeet Pandey

Company Secretary

Place : Mumbai

Dated: February 8, 2021

Place : Lucknow

Dated: February 8, 2021

INDIA PESTICIDES LIMITED

CIN : U24112UP1984PLC006894

Restated Ind AS Summary Statement of Profit and Loss
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (Proforma)
Revenue from Operations	25	3,338.44	2,197.55	4,796.27	3,406.88	2,532.00
Other Income	26	33.99	28.86	101.00	53.54	26.57
Total Income (I)		3,372.43	2,226.41	4,897.27	3,460.42	2,558.57
EXPENSES						
Cost of Materials Consumed	27	1,697.41	1,259.50	2,566.06	1,945.34	1,198.45
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	29	(149.26)	(89.63)	(35.07)	(74.41)	46.72
Employee Benefits Expense	30	103.51	75.50	164.00	134.48	120.58
Finance Costs	31	16.98	27.09	52.18	55.76	43.63
Depreciation and Amortisation Expense	2 & 3	32.00	25.30	50.69	39.58	35.04
Other Expenses	32	693.73	565.87	1,165.72	748.67	612.33
Total Expenses (II)		2,394.37	1,863.63	3,963.58	2,849.42	2,056.75
Restated Profit Before Tax (I-II)		978.06	362.78	933.69	611.00	501.82
Tax Expense						
(1) Current Tax		251.37	90.23	230.95	170.00	160.00
(2) Deferred Tax		1.72	3.54	(2.09)	1.79	13.76
(3) Current taxes relating to earlier years		-	-	(3.16)	-	-
Restated Profit for the period		724.97	269.01	707.99	439.21	328.06
Other comprehensive income						
(i) Items that will not be reclassified to profit or loss						
- Remeasurement of defined benefit plans		(2.70)	(3.46)	(2.86)	(0.70)	(0.80)
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss		0.68	0.87	0.72	0.20	0.28
Total Other comprehensive income/(loss) for the year (Net of Tax)		(2.02)	(2.59)	(2.14)	(0.50)	(0.52)
Total Comprehensive income for the Year		722.95	266.42	705.85	438.71	327.54
Earnings per Equity Share of Rs.1 Each (Refer note 13(d) and 13(e)) (*not annualised)	39					
Basic (in Rs)		6.51 *	2.41 *	6.35	3.94	2.94
Diluted (in Rs)		6.51 *	2.41 *	6.35	3.94	2.94
Significant accounting policies and Key accounting estimates and judgements	1					
See accompanying notes to Restated IndAS Summary Statements	2-44					

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants

ICAI Firm Registration No: 301051E

R.P. Baradiya

Partner

Membership No. 44101

For and on behalf of Board of Directors of

India Pesticides Limited
A. S .Agarwal

Director

DIN: 00777581

R. S. Sharma

Director

DIN: 02487797

S. P. Gupta

Chief Financial Officer

Ajeet Pandey

Company Secretary

Place : Mumbai

Dated: February 8, 2021

Place : Lucknow

Dated: February 8, 2021

Restated Ind AS Summary Statement of Cashflow

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year Ended 31st March, 2020	Year Ended 31st March, 2019	Year Ended 31st March, 2018 (Proforma)
A Cash flow from operating activities:					
Net profit before tax	978.06	362.78	933.69	611.00	501.82
Adjustment to reconcile profit before tax to net cash flows					
Depreciation	32.00	25.30	50.67	39.39	34.86
Net unrealised foreign exchange loss/(gain)	(2.95)	(27.94)	(41.97)	(22.59)	(20.98)
Net gain on sale / fair valuation of investments through profit and loss	(9.41)	1.79	5.57	0.50	(2.31)
(Profit)/Loss on Sale of property, plant and equipment (net)	-	-	(0.19)	(0.50)	(0.25)
Dividend Income	(0.02)	(0.01)	(0.08)	(0.04)	(0.05)
Provision for Employee Benefits	12.02	2.36	4.32	0.60	(2.19)
Finance Lease	0.01	0.01	0.03	-	-
Interest received	(10.74)	(1.36)	(3.94)	(4.10)	(2.78)
Provision for Expected Credit Loss	4.71	2.47	3.47	2.15	0.67
Bad Debt	0.04	-	4.84	0.64	17.09
Interest expenses	16.98	27.09	52.18	55.77	38.53
Operating profit before working capital changes	1020.70	392.49	1008.59	682.82	564.49
Adjustment for					
Decrease/ (Increase) in other financial assets	3.57	0.83	(8.06)	2.61	(0.44)
Decrease/ (Increase) in non current assets	8.64	(8.90)	(3.42)	(10.60)	
Decrease/ (Increase) in trade receivables	(426.81)	(13.73)	(14.31)	(532.34)	(388.02)
Decrease/(Increase) in other current assets	51.12	36.31	(89.02)	(38.87)	10.93
Decrease/(Increase) in Inventories	(204.18)	(130.53)	(30.46)	(163.06)	46.51
(Decrease)/Increase in other financial liabilities	7.89	10.10	10.88	6.48	7.11
(Decrease)/Increase in trade payables	507.26	225.61	64.85	193.44	96.90
(Decrease)/ Increase in other current liabilities	0.91	(9.70)	35.01	(1.65)	(24.66)
(Decrease)/ Increase in provisions	(0.03)	0.17	0.35	0.38	3.96
Cash generated from operations	969.07	502.65	974.41	139.21	316.70
Direct taxes paid (net)	(161.80)	(87.65)	(222.91)	(173.00)	(156.34)
Net cash generated from / (used in) operating activities	807.27	415.00	751.50	(33.79)	160.36
B Cash generated from investing activities					
Purchase of property, plant and equipment , Intangible assets and Capital work in progress	(36.74)	(193.59)	(308.37)	(72.33)	(118.82)
Proceeds from sale of property, plant and equipment	-	-	0.04	0.73	0.29
Purchase of Investments	(12.03)	(4.42)	(21.06)	(22.76)	(31.40)
Sale proceeds of Investments	9.55	3.37	15.74	24.66	21.53
Increase in Term Deposits	(739.87)	(1.45)	(0.99)	(0.77)	(2.31)
Interest Income	10.74	1.36	3.94	4.10	2.78
Net cash flow from / (used in) from investing activities	(768.35)	(194.73)	(310.70)	(66.37)	(127.93)
C Cash generated from financing activities					
Proceeds from Long term Borrowings	20.00	-	2.40	131.21	24.82
Repayment of Long term Borrowings	(71.57)	(22.40)	(30.48)	(92.18)	(98.23)
Proceeds/(repayment) from short-term borrowings (net)	(12.65)	(136.22)	(302.27)	112.21	97.85
Dividend paid (including corporate dividend tax)	-	-	(7.66)	(7.66)	(7.66)
Interest paid	(13.01)	(26.96)	(51.92)	(50.64)	(38.53)
Cash generated from / (used in) financing activities	(77.23)	(185.58)	(389.93)	92.94	(21.75)
D Net Increase/ (Decrease) in cash and cash equivalent (A+B+C)	(38.31)	34.69	50.87	(7.22)	10.68
Cash and Cash equivalents					
At the beginning of the year	67.17	16.30	16.30	23.52	12.84
At the end of the year	28.86	50.99	67.17	16.30	23.52
Notes:					
Net Debt Reconciliation					
Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year Ended 31st March, 2020	Year Ended 31st March, 2019	Year Ended 31st March, 2018 (Proforma)
Opening Net Debt	280.39	610.58	610.58	459.21	439.87
Proceeds from Borrowings (net)	20.00	-	2.40	243.42	122.67
Repayment of Borrowings (net)	(84.22)	(158.63)	(332.75)	(92.18)	(98.23)
Interest Expense	16.98	27.09	52.18	55.77	38.53
Interest Paid	(13.01)	(26.96)	(51.92)	(50.64)	(38.53)
Discounting adjustment for borrowing cost	(3.88)	(0.05)	(0.10)	(5.00)	(5.10)
Closing Net Debt	216.26	452.03	280.39	610.58	459.21

The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

Significant accounting policies	1
See accompanying notes to Restated IndAS Summary Statements	2-44

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited

R.P. Baradiya
Partner
Membership No. 44101

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: February 8, 2021

Place : Lucknow
Dated: February 8, 2021

INDIA PESTICIDES LIMITED
Restated Ind AS Summary Statement of Changes in Equity
A. Equity Share Capital
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	No. of Shares	Amount
As at 1st April, 2017 (Proforma)		
Changes in equity share capital during the year		
As at 31st March, 2018 (Proforma)	3,18,325	31.83
Changes in equity share capital during the year	-	-
As at 31st March, 2019	3,18,325	31.83
Changes in equity share capital during the period	-	-
As at 30th September, 2019	3,18,325	31.83
As at 1st April, 2019	3,18,325	31.83
Changes in equity share capital during the period	-	-
As at 31st March, 2020	3,18,325	31.83
Changes in equity share capital during the period	-	-
As at 30th September, 2020	3,18,325	31.83

B. Other Equity
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Reserves and Surplus			Remeasurement of net defined benefit plan	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April 2017 (Proforma)	8.58	289.37	789.51	-	1,087.46
Restated Profit/(loss) for the year	-	-	328.06	(0.52)	327.55
Restated Other Comprehensive Income / (loss)	-	-	-	-	-
Total Comprehensive Income for the year	8.58	289.37	1,117.57	(0.52)	1,415.00
Dividends paid (incl. dividend distribution tax)	-	-	(7.66)	-	(7.66)
Transfer to General Reserves	-	100.00	(100.00)	-	-
Balance as on 31st March 2018 (Proforma)	8.58	389.37	1,009.90	(0.52)	1,407.32
Restated Profit/(loss) for the year	-	-	439.21	(0.50)	438.71
Restated Other Comprehensive Income / (loss)	-	-	-	-	-
Total Comprehensive Income for the year	8.58	389.37	1,449.11	(1.02)	1,846.03
Dividends paid (incl. dividend distribution tax)	-	-	(7.66)	-	(7.66)
Transfer to General Reserves	-	100.00	(100.00)	-	-
Balance as on 31st March 2019	8.58	489.37	1,341.45	(1.02)	1,838.38
Restated Profit/(loss) for the year	-	-	269.01	(2.59)	266.42
Restated Other Comprehensive Income / (loss)	-	-	-	-	-
Total Comprehensive Income for the year	8.58	489.37	1,610.46	(3.61)	2,104.80
Dividends paid (incl. dividend distribution tax)	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-
Balance as on 30th September 2019	8.58	489.37	1,610.46	(3.61)	2,104.80
Balance as on 1st April 2019	8.58	489.37	1,341.45	(1.02)	1,838.38
Restated Profit/(loss) for the year	-	-	707.99	(2.14)	705.85
Restated Other Comprehensive Income / (loss)	-	-	-	-	-
Total Comprehensive Income for the year	8.58	489.37	2,049.43	(3.16)	2,544.24
Dividends paid (incl. dividend distribution tax)	-	-	(7.66)	-	(7.66)
Transfer to General Reserves	-	100.00	(100.00)	-	-
Balance as on 31st March 2020	8.58	589.37	1,941.77	(3.16)	2,536.56
Restated Profit/(loss) for the year	-	-	724.97	(2.02)	722.95
Restated Other Comprehensive Income / (loss)	-	-	-	-	-
Total Comprehensive Income for the year	8.58	589.37	2,666.73	(5.18)	3,259.51
Dividends paid (incl. dividend distribution tax)	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-
Balance as on 30th September 2020	8.58	589.37	2,666.73	(5.18)	3,259.51

As per our report of even date attached

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No: 301051E

For and on behalf of Board of Directors of
India Pesticides Limited

R.P. Baradiya
Partner
Membership No. 44101

A. S. Agarwal
Director
DIN: 00777581

R. S. Sharma
Director
DIN: 02487797

S. P. Gupta
Chief Financial Officer

Ajeet Pandey
Company Secretary

Place : Mumbai
Dated: February 8, 2021

Place : Lucknow
Dated: February 8, 2021

INDIA PESTICIDES LIMITED

Significant accounting policies and explanatory notes to Restated Ind AS Summary Statements

(All amounts in Indian Rupees Millions, unless otherwise stated)

Company Profile

India Pesticides Limited ("the Company") is a Company incorporated on 13th December 1984 and having its registered office at Bareilly, Uttar Pradesh, India. The Company is engaged in 'Agro Chemicals' business which primarily includes manufacture, sale and distribution of insecticides, fungicides, herbicide and various other agrochemical products. The Company has its own manufacturing site for agrochemical production at Sandila and Dewa Road in Uttar Pradesh.

The Company's Restated Ind AS Summary Statements for the Six months period ended September 30, 2020 and September 30, 2019 and year ended March 31, 2020, March 31, 2019 and March 31, 2018 (Proforma) were approved for issue in accordance with a resolution of the directors on

1 Significant Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Restated Ind AS Summary Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation and Transition to Ind AS

The Restated Ind AS Summary Statements of the Company comprise of the Restated Ind AS Summary Statement of Assets and Liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019, March 31, 2018 (Proforma), the related Restated Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Ind AS Summary Statement of Cash Flows and the Restated Ind AS Summary Statement of Changes in Equity for the Six months period ended September 30, 2020 and September 30, 2019 and years ended March 31, 2020, March 31, 2019 and March 31, 2018 (Proforma), and the Significant Accounting Policies and explanatory notes (collectively, the 'Restated Ind AS Summary Statements' or 'Statements').

These Statements have been prepared by the Management for the purpose of preparation of the restated financial statements as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of equity shares of face value of Rs. 1 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Company in terms of the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time; and
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

The Restated Ind AS Summary Statements have been compiled from:

- Audited Interim Ind AS financial statements of the Company as at and for the six months period ended September 30, 2020 prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the accepted in India, which have been approved by the Board of Directors at their meeting held on 21 December 2020.

- Audited Interim Ind AS financial statements of the Company as at and for the six months period ended September 30, 2019 prepared in accordance with the Ind AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 21 December 2020.

- Audited Ind AS financial statements of the Company as at and for year ended March 31, 2020 prepared in accordance with Ind AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 11 November 2020.

The financial statements for the year ended March 31, 2020 are the first financial statements that the Company has prepared in accordance with Ind AS. The date of transition is April 1, 2018. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which is considered as the previous GAAP, for purposes of Ind AS 101. Refer to Note 43 to Restated Ind AS Summary Statements for detailed information on how the Company transitioned to Ind AS.

Audited financial statements of the Company as at and for the year ended March 31, 2019, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") as prescribed under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been approved by the Board of Directors at their meeting held on September 20, 2019. The Company has adjusted financial information for the year ended March 31, 2019 included in such Indian GAAP financial statements, using recognition and measurement principles of Ind AS, and has included such adjusted financial information as comparative financial information in the financial statements for the year ended March 31, 2020; and

Audited financial statements of the Company as at and for the year ended March 31, 2018, which were prepared in accordance with Indian GAAP at the relevant time which have been approved by the Board of Directors at their meeting held on 18 October 2018. The Restated Ind AS Summary Statements also includes proforma Ind AS Summary Statements for the year ended March 31, 2018 which have been prepared from the audited financial statements of the Company as at and for the year ended March 31, 2018; have been adjusted as described in Note 43 to the Restated Ind AS Summary Statements to make them compliant with recognition and measurement under Ind-AS.

The proforma summary statements of the Company as at and for the year ended March 31, 2018, is prepared in accordance with requirements of SEBI Circular and the Guidance Note. For the purpose of Proforma Financial Statements for the year ended March 31, 2018 (Proforma) the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions) as per Ind AS 101 as initially adopted on transition date i.e. April 01, 2018.

Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the proforma summary statements for the year ended March 31, 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) (refer note 43 for other exemptions and exceptions) consistent with that used at the date of transition to Ind AS (i.e. April 01, 2018).

The difference between equity balance computed under proforma summary statements for the year ending March 31, 2018 (i.e. equity under Indian GAAP adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2018, with adjusted impact due to Ind-AS principles applied on proforma basis) and equity balance computed in opening Ind AS balance sheet as at transition date (i.e. April 01, 2018), prepared for filing under Companies Act, 2013 has been adjusted as a part of restated adjustments and carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013.

This note provides a list of the significant accounting policies adopted in the preparation of these Restated Ind AS Summary Statements. These policies have been consistently applied to all the years/ six months presented, unless otherwise stated.

These Restated Ind AS Summary Statements have been prepared for the Company as a going concern.

The Restated Ind AS Summary Statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

Certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in 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 or noncurrent classification of assets and liabilities.

1.2 Application of New Accounting Pronouncements

The Company has applied the Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. Accordingly, the Company has adopted Ind AS 116, Leases with modified retrospective approach to reporting period commencing from 1st April, 2019.

1.3 Use of Estimates and Judgments

In preparing the Restated Ind AS Summary Statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/or results of operations.

The estimates and judgments used in the preparation of the Restated Ind AS Summary Statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

1.4 Summary of Significant accounting policies

(a) Property, Plant & Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation and Amortisation

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are amortized over the period of the lease.

The Estimated useful lives of the assets are as follows:

Asset Class	Useful Life
Factory Building	30 years
Plant & Machinery	20 years
R&D Equipment	20 years
Electrical Installations and Equipment	10 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computers	3 years

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(b) Intangible Assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Asset Class	Useful Life
Software	5 years
Know How	10 years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

(c) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Export Incentive:

Income from Export Incentives such as duty drawback and MEIS are recognised on an accrual basis to the extent the ultimate realisation is reasonably certain.

(d) Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

(e) Inventories

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognised at the lower of their cost of acquisition calculated by the weighted average method and at their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses necessary to make the sale.

(f) Financial Instruments

(i) Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in Other Income using the effective interest rate method.

- fair value through profit and loss (FVTPL)

Assets shall be measured at FVPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in Other Income.

- fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The movements in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in Other Income using the effective interest rate method.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Derecognition

Financial assets are derecognised when contractual rights to receive cash flows from the financial assets expire or the financial assets are transferred together with all material risks and benefits.

(ii) Financial Liabilities

Financial liabilities are initially recognised at fair value if the Company has a contractual obligation to transfer cash or other financial assets to another party. Borrowings and payables are recognised net of directly attributable transaction costs. In subsequent periods, such liabilities are measured at amortised cost using the effective interest method.

Derecognition

Financial liabilities are derecognised when the contractual obligation is discharged or cancelled, or has expired.

(g) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The Company applies Expected Credit Loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost. The Company follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss on trade receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial recognition. If the reasons for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortised cost of acquisition.

(h) Fair Value Measurement

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

-Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted prices in an active market, then the Company uses a valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

(i) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(j) Investments

Financial assets are recognised and measured in accordance with Ind AS 109 - Financial Instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVPL), transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVPL. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Investment in Equity Instruments are classified as FVPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investment in equity instruments which are not held for trading.

(k) Foreign Currency Transactions

The Restated Ind AS Summary Statements are presented in Indian Rupee, which is the Company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(l) Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current Tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Restated Ind AS Summary Statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the Restated Ind AS Summary Statements unless an inflow of economic benefits is probable.

(n) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(o) Provision for Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined Contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

i) Provident fund scheme:

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

ii) Gratuity scheme:

The Company has a Defined Benefit Plan namely Gratuity covering its employees. The Gratuity scheme is funded through Group Gratuity-cum-Life Assurance Scheme which is administered by LIC. The present value of provisions for defined benefit plans and the resulting expense are calculated in accordance with Ind AS 19 - Employee Benefits by the Projected Unit Credit Method. The future benefit obligations are valued by an independent actuary at the year-end and spread over the entire employment period on the basis of specific assumptions regarding beneficiary structure and the economic environment. This includes the determination of the discount rate, salary escalation, mortality rate etc. which affects the valuation. In determining the appropriate discount rate at each balance sheet date, the Management considers the interest rates which relates to the benchmark rate available for Government Securities and that have terms to maturity approximating the terms of the related defined benefit obligation.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and loss (including actuarial gain and loss).

(p) Lease accounting

Assets taken on lease:

The Company mainly has lease arrangements for land.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term i.e. between 74 to 90 years

If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

(q) Impairment of Non-financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

The recoverable amount is the higher of the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(r) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, 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 capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(s) Government Grants / Subsidies:

Government grants / subsidies are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized in Statement of Profit and Loss.

(t) Segment reporting

The Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Board of Directors (who is the Company's chief operating decision makers) in deciding how to allocate resources and in assessing performance.

(u) Dividends Payable

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(v) Earnings Per Share

Basic earnings per share are calculated by dividing the Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the Profit or Loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period is adjusted for bonus issue and share split.

(w) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(x) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(y) Rounding Of Amounts

All amounts disclosed in the Restated Ind AS Summary Statements and notes have been rounded off to the nearest million, unless otherwise stated.

(z) Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(aa) Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

(c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

(e) Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

INDIA PESTICIDES LIMITED
Notes to restated Ind AS Summary Statements

2A Property, Plant and Equipment

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Leasehold Land	Factory Building	Plant & Equipment	R&D Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount									
Balance as at 1 st April, 2017 - Deemed Cost (Proforma)	25.02	139.90	419.64	-	5.08	13.09	0.72	1.35	604.80
Additions during the year	12.94	24.88	69.08	1.17	0.80	8.43	0.11	0.59	118.00
Disposals/ Reclassifications during the year	-	-	-	-	-	0.41	-	-	0.41
Balance as at 31 st March, 2018 (Proforma)	37.96	164.78	488.72	1.17	5.88	21.11	0.83	1.94	722.39
Additions during the year	2.68	30.11	7.38	-	2.29	5.90	0.76	0.49	49.61
Disposals/ Reclassifications during the year	-	-	-	-	-	1.07	-	-	1.07
Balance as at 31 st March, 2019	40.64	194.89	496.10	1.17	8.17	25.94	1.59	2.43	770.93
Additions during the year	-	31.62	113.69	-	0.53	3.01	0.17	0.41	149.43
Disposals/ Reclassifications during the year	40.64	-	-	-	-	-	-	-	40.64
Balance as at 30th September, 2019	-	226.51	609.79	1.17	8.70	28.95	1.76	2.83	879.72
As at April 2019									
Balance as at 31 st March, 2019	40.64	194.89	496.10	1.17	8.17	25.94	1.59	2.43	770.93
Additions during the year	-	72.03	265.15	-	1.35	3.68	0.44	0.67	343.32
Disposals/ Reclassifications during the year	40.64	-	-	-	-	0.62	-	-	41.26
Balance as at 31 st March, 2020	-	266.92	761.25	1.17	9.52	29.00	2.03	3.10	1,073.01
Additions during the year	-	-	0.30	-	0.43	-	0.26	0.29	1.28
Disposals/ Reclassifications during the year	-	-	-	-	-	-	-	-	-
Balance as at 30th September, 2020	-	266.92	761.56	1.17	9.95	29.00	2.30	3.39	1,074.29
Accumulated Depreciation									
Balance as at 1 st April, 2017 (Proforma)	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	5.06	24.94	0.00	0.60	3.12	0.34	0.59	34.65
Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	0.12	-	-	0.12
Balance as at 31 st March, 2018 (Proforma)	-	5.06	24.94	0.00	0.60	3.00	0.34	0.59	34.53
Depreciation expense for the year	-	5.84	28.21	0.06	0.72	3.48	0.29	0.54	39.14
Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	0.34	-	-	0.34
Balance as at 31 st March, 2019	-	10.90	53.15	0.06	1.32	6.15	0.63	1.13	73.33
Depreciation expense for the year	-	7.78	14.31	0.03	0.43	1.87	0.14	0.52	25.08
Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	-	-	-	-
Balance as at 30th September, 2019	-	18.68	67.46	0.09	1.75	8.02	0.77	1.65	98.41
Balance as at 1st April, 2019									
Balance as at 31 st March, 2019	-	10.90	53.15	0.06	1.32	6.15	0.63	1.13	73.33
Depreciation expense for the year	-	11.82	32.05	0.06	0.91	3.95	0.32	1.12	50.23
Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	0.58	-	-	0.58
Balance as at 31 st March, 2020	-	22.72	85.20	0.11	2.24	9.52	0.95	2.24	122.98
Depreciation expense for the year	-	4.65	24.15	0.03	0.50	1.98	0.18	0.29	31.78
Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	-	-	-	-
Balance as at 30th September, 2020	-	27.37	109.35	0.14	2.74	11.50	1.13	2.53	154.76
Net Carrying amount									
Balance as at 1 st April, 2017 (Proforma)	25.02	139.90	419.64	-	5.08	13.09	0.72	1.35	604.80
Balance as at 31 st March, 2018 (Proforma)	37.96	159.72	463.78	1.17	5.28	18.11	0.49	1.35	687.86
Balance as at 31 st March, 2019	40.64	183.99	442.95	1.11	6.85	19.79	0.96	1.31	697.60
Balance as at 30th September, 2019	-	207.83	542.33	1.08	6.95	20.93	1.01	1.18	781.31
Balance as at 31 st March, 2020	-	244.20	676.05	1.06	7.28	19.48	1.08	0.86	950.01
Balance as at 30th September, 2020	-	239.55	652.22	1.03	7.21	17.50	1.16	0.85	919.52

2B Right of Use Assets

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Opening Balance	42.56	-	-	-	-
Reclassified on account of adoption of Ind AS 116	-	40.64	40.64	-	-
Additions	0.33	1.94	1.94	-	-
Deletions	-	-	-	-	-
Depreciation	0.01	0.01	0.02	-	-
Closing Balance	42.88	42.57	42.56	-	-

Note: Refer Note 33 for detailed disclosures

(All amounts in Rupees Millions, unless otherwise stated)

Capital work-in-progress	Plant & Machinery	Buildings	Total
Balance as at 31 st March, 2018 (Proforma)	12.03	12.92	24.95
Balance as at 31 st March, 2019	40.05	7.41	47.46
Balance as at 31 st March, 2020	1.14	10.43	11.57
Balance as at 30 th September, 2019	4.92	85.12	90.04
Balance as at 30 th September, 2020	38.75	7.96	46.71

Note:

Refer Note 15 and 19 for details of security charge on Property, plant and equipment, Right of use of assets and Capital work-in-progress.

3 Intangible Assets (All amounts in Rupees Millions, unless otherwise stated)

Particulars	Software	Know How	Total
Gross Carrying Amount			
Balance as at 1st April, 2017 - Deemed Cost (Proforma)	0.13	2.48	2.61
Additions during the year	-	-	-
Deductions during the year	-	-	-
Balance as at 31st March, 2018 (Proforma)	0.13	2.48	2.61
Additions during the year	0.21	-	0.21
Deductions during the year	-	-	-
Balance as at 31st March, 2019	0.34	2.48	2.82
Additions during the year	0.08	-	0.08
Deductions during the year	-	-	-
Balance as at 30th September, 2019	0.42	2.48	2.90
Balance as at 1st April, 2019	0.34	2.48	2.82
Additions during the year	0.10	-	0.10
Deductions during the year	-	-	-
Balance as at 31st March, 2020	0.44	2.48	2.92
Additions during the year	-	-	-
Deductions during the year	-	-	-
Balance as at 30th September, 2020	0.44	2.48	2.92
Accumulated amortization			
Balance as at 1st April, 2017 (Proforma)	-	-	-
Amortization expense for the year	0.04	0.36	0.40
Deductions for the year	-	-	-
Balance as at 31st March, 2018 (Proforma)	0.04	0.36	0.40
Amortization expense for the year	0.07	0.36	0.43
Deductions for the year	-	-	-
Balance as at 31st March, 2019	0.11	0.72	0.83
Amortization expense for the year	0.03	0.18	0.21
Deductions for the year	-	-	-
Balance as at 30th September, 2019	0.14	0.90	1.04
Balance as at 1st April 2019	0.11	0.72	0.83
Amortization expense for the year	0.09	0.35	0.44
Deductions for the year	-	-	-
Balance as at 31st March, 2020	0.20	1.07	1.27
Balance as at 31st March, 2020	0.20	1.07	1.27
Amortization expense for the year	0.03	0.19	0.22
Deductions for the year	-	-	-
Balance as at 30th September, 2020	0.23	1.26	1.49
Net Carrying amount			
Balance as at 1 st April, 2017 (Proforma)	0.13	2.48	2.61
Balance as at 31 st March, 2018 (Proforma)	0.09	2.12	2.21
Balance as at 31 st March, 2019	0.23	1.76	1.99
Balance as at 30th September, 2019	0.28	1.58	1.86
Balance as at 31 st March, 2020	0.24	1.41	1.65
Balance as at 30th September, 2020	0.21	1.22	1.43

Notes: The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use as its deemed cost as at the date of transition to Ind AS per the following details:

For the purpose of Proforma Restated Ind AS Summary Statements for the year ended March 31, 2018, the Company has followed the same accounting policy and accounting policy choices (both mandatory exception and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date i.e. April 1, 2018. In preparing these proforma financial statements, the Company has prepared opening Balance sheet as at April 1, 2017, being Proforma date of transition to Ind AS.

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Leasehold Land	Factory Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Software	Know How	Total
As at 1st April, 2017 (Proforma)										
Gross Block (at cost)	25.02	165.06	652.88	7.97	24.18	2.25	5.24	0.33	3.55	886.48
Accumulated depreciation	-	25.16	233.24	2.89	11.09	1.53	3.89	0.20	1.08	279.07
Net Block as per previous GAAP/ Deemed cost as per Ind AS	25.02	139.90	419.64	5.08	13.09	0.72	1.35	0.13	2.47	607.41
Ind AS adjustments	-	-	-	-	-	-	-	-	-	-
Gross Block as per Ind AS	25.02	139.90	419.64	5.08	13.09	0.72	1.35	0.13	2.47	607.41

4 Investments
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
(A) Investment in Quoted Equity Shares, Fully Paid Up (At fair value through Profit and Loss account)					
1 Punjab National Bank 50 (30th September, 2019 : 50, 31st March, 2020 : 50, 31st March, 2019 : 50, 31st March, 2018 : 50) equity shares of Rs.2 each	0.00	0.00	0.00	0.00	0.00
2 Triveni Engineering Ltd Nil (30th September, 2019 : 666, 31st March, 2020 : 666, 31st March, 2019 : 666, 31st March, 2018 : 666) equity shares of Rs.10 each	-	0.04	0.02	0.04	0.03
3 Coromandal International Ltd 125 (30th September, 2019 : 125, 31st March, 2020 : 125, 31st March, 2019 : 125, 31st March, 2018 : 125) equity shares of Re.1 each	0.10	0.05	0.07	0.06	0.07
4 Suditi Industries Ltd 11,739 (30th September, 2019 : 4632, 31st March, 2020 : 8899, 31st March, 2019 : 4632, 31st March, 2018 : 4632) equity shares of Re.10 each	0.12	0.08	0.07	0.12	0.28
5 Bharat Electronics Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 1608) equity shares of Rs.10 each	-	-	-	-	0.23
6 Bharat Financial Inclusion Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 165) equity shares of Re.1 each	-	-	-	-	0.18
7 Camlin Fine Sciences Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 2219) equity shares of Re.1 each	-	-	-	-	0.22
8 Dalmia Bharat Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 88) equity shares of Rs. 2 each	-	-	-	-	0.25
9 Dilip Buildcon Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 359) equity shares of Rs.10 each	-	-	-	-	0.36
10 Edelweiss Financial Services Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 833) equity shares of Re.1 each	-	-	-	-	0.20
11 Everest Kanto Cylinder Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 3995) equity shares of Rs.2 each	-	-	-	-	0.17
12 ICICI Prudential Life Insurance Company Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 522) equity shares of Rs.10 each	-	-	-	-	0.20
13 India Cements Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 1652) equity shares of Rs.10 each	-	-	-	-	0.23
14 Larsen & Toubro Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 218) equity shares of Rs.2 each	-	-	-	-	0.29
15 Maruti Suzuki India Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 38) equity shares of Rs.5 each	-	-	-	-	0.34

16 NCC Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 1238) equity shares of Rs.2 each	-	-	-	-	0.15
17 Piramal Enterprises Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 71) equity shares of Rs.2 each	-	-	-	-	0.17
18 Sterlite Technologies Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 1875) equity shares of Rs.2 each	-	-	-	-	0.59
19 Tata Motors Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 1875) equity shares of Rs.2 each	-	-	-	-	0.20
20 Vedanta Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 1150) equity shares of Re.1 each	-	-	-	-	0.32
21 Vinati Organics Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : 159, 31st March, 2018 : 1875) equity shares of Rs.2 each	-	-	-	0.26	0.29
22 Weizmann Forex Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 102) equity shares of Rs.10 each	-	-	-	-	0.11
23 Welspun Enterprises Ltd Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 1657) equity shares of Rs.10 each	-	-	-	-	0.23
24 AIA Engineering Ltd. 191 (30th September, 2019 : 191, 31st March, 2020 : Nil, 31st March, 2019 : 191, 31st March, 2018 : Nil) equity shares of Rs.2 each	0.28	0.34	-	0.34	-
25 Axis Bank Ltd Nil (30th September, 2019 : 617, 31st March, 2020 : Nil, 31st March, 2019 : 563, 31st March, 2018 : Nil) equity shares of Rs.2 each	-	0.42	-	0.44	-
26 Canfin Homes Ltd 497 (30th September, 2019 : 443, 31st March, 2020 : 497, 31st March, 2019 : 691, 31st March, 2018 : Nil) equity shares of Rs.2 each	0.21	0.17	0.14	0.24	-
27 DFM Foods Ltd 1989 (30th September, 2019 : 1989, 31st March, 2020 : 1989, 31st March, 2019 : 1989, 31st March, 2018 : Nil) equity shares of Rs.2 each	0.68	0.49	0.35	0.43	-
28 HDFC Bank Ltd Nil (30th September, 2019 : 360, 31st March, 2020 : Nil, 31st March, 2019 : 254, 31st March, 2018 : Nil) equity shares of Rs.2 each	-	0.44	-	0.59	-
29 IFB Industries Ltd Nil (30th September, 2019 : 544, 31st March, 2020 : 403, 31st March, 2019 : 476, 31st March, 2018 : Nil) equity shares of Rs.10 each	-	0.36	0.11	0.47	-
30 JB Chemicals & Pharmaceuticals Ltd Nil (30th September, 2019 : 671, 31st March, 2020 : Nil, 31st March, 2019 : 921, 31st March, 2018 : Nil) equity shares of Rs.2 each	-	0.25	-	0.33	-
31 K M Sugar Mills Ltd 187098 (30th September, 2019 : 60898, 31st March, 2020 : 125619, 31st March, 2019 : 60898, 31st March, 2018 : Nil) equity shares of Rs.2 each	2.02	0.65	0.80	0.55	-

32 Magma Fincorp Ltd Nil (30th September, 2019 : 2950, 31st March, 2020 : 5352, 31st March, 2019 : 3767, 31st March, 2018 : Nil) equity shares of Rs.2 each	-	0.15	0.09	0.44	-
33 Majesco Ltd 1093 (30th September, 2019 : 740, 31st March, 2020 : 1093, 31st March, 2019 : 740, 31st March, 2018 : Nil) equity shares of Rs.5 each	0.91	0.33	0.28	0.36	-
34 Mayur Uniquoters Limited Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : 751, 31st March, 2018 : Nil) equity shares of Rs.5 each	-	-	-	0.26	-
35 Nesco Ltd Nil (30th September, 2019 : 501, 31st March, 2020 : 501, 31st March, 2019 : 501, 31st March, 2018 : Nil) equity shares of Rs.2 each	-	0.29	0.24	0.24	-
36 Orient Electric Limited Nil (30th September, 2019 : 1531, 31st March, 2020 : 1261, 31st March, 2019 : 1764, 31st March, 2018 : Nil) equity shares of Re.1 each	-	0.25	0.25	0.27	-
37 PI Industries Ltd 151 (30th September, 2019 : 237, 31st March, 2020 : 188, 31st March, 2019 : 237, 31st March, 2018 : Nil) equity shares of Re.1 each	0.30	0.31	0.22	0.24	-
38 United Breweries Ltd Nil (30th September, 2019 : 113, 31st March, 2020 : Nil, 31st March, 2019 : 113, 31st March, 2018 : Nil) equity shares of Re.1 each	-	0.15	-	0.16	-
39 Zensar Technologies Ltd Nil (30th September, 2019 : 808, 31st March, 2020 : Nil, 31st March, 2019 : 1297, 31st March, 2018 : Nil) equity shares of Rs.2 each	-	0.18	-	0.30	-
40 Alkyl Amines Chemicals Ltd 79 (30th September, 2019 : Nil, 31st March, 2020 : 174, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.5 each	0.25	-	0.21	-	-
41 Bata India Ltd 198 (30th September, 2019 : Nil, 31st March, 2020 : 198, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.5 each	0.26	-	0.24	-	-
42 Borosil Limited Nil (31st March, 2020: 1289, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Re.1 each	-	-	0.05	-	-
43 ICICI Bank Ltd. 824 (30th September, 2019 : Nil, 31st March, 2020 : 624, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.2 each	0.29	-	0.20	-	-
44 IIFL Wealth Management Ltd. 205 (30th September, 2019 : Nil, 31st March, 2020 : 205, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.2 each	0.20	-	0.20	-	-
45 Kotak Mahindra Bank Ltd 167 (30th September, 2019 : Nil, 31st March, 2020 : 167, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.5 each	0.21	-	0.22	-	-
46 Multi Commodity Exchange of India Ltd. Nil (30th September, 2019 : 313, 31st March, 2020 : 216, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.10 each	-	0.30	0.24	-	-
47 Muthoot Finance Ltd. Nil (30th September, 2019 : Nil, 31st March, 2020 : 316, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.10 each	-	-	0.19	-	-

48 Natco Pharma Ltd. 446 (30th September, 2019 : 562, 31st March, 2020 : 446, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.2 each	0.42	0.33	0.22	-	-
49 Navin Fluorine International Ltd. 196 (30th September, 2019 : Nil, 31st March, 2020 : 121, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.2 each	0.43	-	0.15	-	-
50 Nocil Ltd Nil (30th September, 2019 : 3078, 31st March, 2020 : 2341, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.10 each	-	0.35	0.15	-	-
51 Rites Ltd. Nil (30th September, 2019 : 433, 31st March, 2020 : 807, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.10 each	-	0.11	0.20	-	-
52 Tube Investments of India Ltd. Nil (30th September, 2019 : Nil, 31st March, 2020 : 676, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Re.1 each	-	-	0.18	-	-
53 Sam Industries Ltd 2200 (30th September, 2019 : Nil, 31st March, 2020 : 2200, 31st March, 2019 : 2200, 31st March, 2018 : 2200) equity shares of Rs.10 each	0.02	0.03	0.03	0.03	0.03
54 Modipon Ltd 100 (30th September, 2019 : 100, 31st March, 2020 : 100, 31st March, 2019 : 100, 31st March 2018 : 100) equity shares of Rs.10 each	0.00	-	-	-	-
55 Polycab India Limited 377 (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March 2018 : Nil) equity shares of Rs. 10 each	0.31	-	-	-	-
56 Reliance Industries Limited 454 (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March 2018 : Nil) equity shares of Rs. 10 each	0.34	-	-	-	-
57 Bharti Airtel Ltd 696 (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March 2018 : Nil) equity shares of Rs. 5 each	0.29	-	-	-	-
58 Ultramarine & Pigments Ltd 1248 (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March 2018 : Nil) equity shares of Rs. 2 each	0.30	-	-	-	-
59 TVS Srichakri Ltd 222 (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March 2018 : Nil) equity shares of Rs. 10 each	0.31	-	-	-	-
60 Balaji AMINES 218 (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March 2018 : Nil) equity shares of Rs. 2 each	0.18	-	-	-	-
61 Jubilant Foodworks Ltd Nil (30th September, 2019 : 180, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : Nil) equity shares of Rs.10 each	-	0.24	-	-	-
TOTAL	8.44	6.34	5.14	6.18	5.14

**(B) Investment in Unquoted Equity Shares, Fully Paid Up
(At fair value through Profit and Loss account)**

1 Kalyanpur Cements Ltd 16500 (30th September, 2019 : 16500, 31st March, 2020 : 16500, 31st March, 2019 : 16500, 31st March 2018 : 16500) equity shares of Rs.10 each	-	-	-	-	-

2	Eggro Paper Moulds Ltd 3300 (30th September, 2019 : 3300, 31st March, 2020 : 3300, 31st March, 2019 : 3300, 31st March 2018 : 3300) equity shares of Rs.10 each	-	-	-	-	-
3	United Health Care Ltd 100 (30th September, 2019 : 100, 31st March, 2020 : 100, 31st March, 2019 : 100, 31st March 2018 : 100) equity shares of Rs.10 each	-	-	-	-	-
4	XLO Machine Tool Ltd 200 (30th September, 2019 : 200, 31st March, 2020 : 200, 31st March, 2019 : 200, 31st March 2018 : 200) equity shares of Rs.10 each	-	-	-	-	-
5	Stallion Shox Ltd 100 (30th September, 2019 : 100, 31st March, 2020 : 100, 31st March, 2019 : 100, 31st March 2018 : 100) equity shares of Rs.10 each	-	-	-	-	-
6	Swarup Publication P Ltd 1900 (30th September, 2019 : 1900, 31st March, 2020 : 1900, 31st March, 2019 : 1900, 31st March 2018 : 1900) equity shares of Rs.10 each	-	-	-	-	-
7	Indo fil Limited 21 (30th September, 2019 : 21, 31st March, 2020 : 21, 31st March, 2019 : 21, 31st March 2018 : 21) equity shares of Rs.10 each	-	-	-	-	-
8	Swarup Chemicals Pvt Limited 3900 (30th September, 2019 : 3900, 31st March, 2020 : 3900, 31st March, 2019 : 3900, 31st March 2018 : 3900) equity shares of Rs.10 each	-	-	-	-	-
TOTAL		-	-	-	-	-

**(C) Investment in Unquoted Mutual Funds
(At fair value through Profit and Loss account)**

1	Master Share UTI 154.553 (30th September, 2019 : 150, 31st March, 2020 : 100, 31st March, 2019 : 100, 31st March 2018 : 100) equity shares of Rs.10 each	0.00	0.00	0.00	0.00	0.00
2	BOI AXA Large & Mid Cap Equity Fund 2,15,492.045 (30th September, 2019: 2,15,492.045, 31st March, 2020 : 2,15,492.045, 31st March, 2019 : 2,15,492.045, 31st March, 2018 : 1,38,619.351) units.	12.30	7.34	9.59	7.20	5.03
3	BOI AXA Equity Debt Rebalancer Fund Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : 68,524.9875, 31st March, 2018 : 2,68,328.515) units.	-	-	-	1.03	3.97
4	ICI Prudential Regular Savings Plan Growth 34,641.616 (30th September, 2019 : 34,641.616, 31st March, 2020 : 34,641.616, 31st March, 2019 : 34,641.616, 31st March, 2018 : 34,641.616) units.	0.79	1.52	0.75	0.70	0.64
5	BOI AXA Capital Protection Fund Series 4 Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 34,990) units.	-	-	-	-	0.38
6	BOI AXA Capital Protection Fund Series 5 Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 39,980) units.	-	-	-	-	0.45
7	Birla Sun Life Medium Term Plan (Growth) Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : 1,06,152.585, 31st March, 2018 : 1,06,152.585) units.	-	-	-	2.12	2.33
8	BOI AXA Short term Income Fund Nil (30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : 4,41,158.306) units.	-	-	-	-	8.37
9	BOI AXA Midcap Tax Fund 1,50,000 (30th September, 2019 : 1,50,000, 31st March, 2020 : 1,50,000, 31st March, 2019 : 1,50,000, 31st March, 2018 : 1,50,000) units.	1.56	1.28	1.13	1.29	1.46

10 BOI AXA Conservative Hybrid Fund Nil (30th September, 2019 : 2,54,691.182, 31st March, 2020 : Nil, 31st March, 2019 : 2,54,691.182, 31st March, 2018 : 2,46,876.944) units.	-	4.73	-	5.37	5.19
11 BOI AXA Small Cap Fund Nil (30th September, 2019 : 2,00,000, 31st March, 2020 : 2,00,000, 31st March, 2019 : 2,00,000, 31st March, 2018 : Nil) units.	-	2.03	1.77	2.15	-
12 SBI Overnight Fund (G) 65.68 (30th September, 2019 : 161.444, 31st March, 2020 : 126.9841, 31st March, 2019 : 161.4285, 31st March, 2018 : Nil) units.	0.21	0.51	0.49	0.49	-
13 ICICI Prudential Balanced Advantage Fund 68,810.472 (30th September, 2019 : Nil, 31st March, 2020 : 68,810.472 , 31st March, 2019 : Nil, 31st March, 2018 : Nil) units.	2.60	-	2.10	-	-
14 DSP Corporate Bond Fund Nil (31st March, 2020 : 1,30,472.319, 31st March, 2019 : Nil, 31st March, 2018 : Nil) units.	-	-	1.54	-	-
15 DSP Dynamic Asset Allocation Fund 255,137.282 (30th September, 2019 : Nil, 31st March, 2020 : 1,24,664.963, 31st March, 2019 : Nil, 31st March, 2018 : Nil) units.	4.21	-	1.77	-	-
16 BOI AXA Mid & Small Cap Equity & Debt Fund 1,57,472.441 (30th September, 2019 : 1,57,472.441, 31st March, 2020 : 1,57,472.441, 31st March, 2019 : Nil, 31st March, 2018 : Nil) units.	2.18	1.85	1.61	-	-
17 BOI AXA Multicap Fund Regular Plan Growth 469,994.5011(30th September, 2019 : Nil, 31st March, 2020 : Nil, 31st March, 2019 : Nil, 31st March, 2018 : Nil) units.	5.40	-	-	-	-
TOTAL	29.25	19.26	20.75	20.35	27.84
(D) Investment in Unquoted Debt Instruments, Fully Paid Up (At Amortised Cost)					
1 India Infoline Finance Ltd 4,000 @ 9.5% (30th September, 2019 : 4,000 @ 9.5 %, 31st March, 2020 : 4,000 @ 9.5 %, 31st March, 2019 : 4,000 @ 9.5 %, 31st March, 2018 : Nil) redeemable, non-convertible debentures of Rs. 1000 each (secured)	4.61	4.24	4.44	4.05	-
TOTAL	4.61	4.24	4.44	4.05	-
(E) Investment in Unquoted Government Securities (At Amortised Cost)					
1 National Saving Certificate	0.04	0.04	0.04	0.04	0.04
TOTAL	0.04	0.04	0.04	0.04	0.04
TOTAL NON CURRENT INVESTMENT	42.35	29.88	30.37	30.62	33.02
Aggregate book value of:					
Quoted investments	6.33	5.67	6.62	5.79	5.12
Unquoted investments	33.63	26.94	30.20	25.53	28.00
Aggregate market value of:					
Quoted investments	8.44	6.34	5.14	6.18	5.14
Unquoted investments	33.91	23.54	25.23	24.44	27.88
Aggregate amount of impairment in value of Investments	-	-	-	-	-

5 Other Financial Assets (non-current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Unsecured and Considered Good					
Sundry Deposits	21.51	12.10	16.37	9.63	9.63
Term Deposits*	27.18	28.07	32.47	28.22	28.84
Total	48.69	40.17	48.84	37.85	38.47

*on lien against margin money, against bank guarantee and other commitments

6 Other Non-current Assets

(All amounts in Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Others					
Advance to Gratuity Trust	0.62	5.86	6.61	9.32	9.02
Capital Advances	5.37	19.50	14.01	10.60	-
Total	5.99	25.36	20.62	19.92	9.02

7 Inventories

(All amounts in Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Raw Materials	185.88	189.31	145.78	154.26	73.62
Work-in-Progress	9.09	9.03	28.08	15.71	5.18
Finished Goods	351.10	256.46	182.85	160.15	96.27
Packing Materials	32.23	24.89	23.47	20.07	13.57
Stores, Spares and Consumables	11.61	6.10	5.55	5.09	3.58
Total	589.91	485.79	385.73	355.28	192.22

Refer Note 19 for details of security charge on Inventories.

8 Trade Receivables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Unsecured:					
Considered good	2,248.74	1,827.07	1,831.74	1,783.13	1,247.79
Considered doubtful	16.70	10.99	11.99	8.52	6.37
	2,265.44	1,838.06	1,843.73	1,791.65	1,254.16
Less: Allowance for Expected Credit Loss	(16.70)	(10.99)	(11.99)	(8.52)	(6.37)
Total	2,248.74	1,827.07	1,831.74	1,783.13	1,247.79

i) No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii) Trade receivables are non interest bearing and generally on terms of 30 to 180 days.

iii) Refer Note 19 for details of security charge on Trade receivables.

9 Cash and Cash Equivalents

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Cash and Cash Equivalents					
Cash on hand	2.94	3.45	4.48	5.27	3.59
Balances with Banks					
In Current Accounts	25.92	47.54	55.19	11.03	19.93
In Cash Credit Accounts	-	-	7.50	-	-
Total	28.86	50.99	67.17	16.30	23.52

10 Other Balances with Banks

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Balances with Banks					
Term Deposits	752.99	13.58	13.12	12.12	11.36
Total	752.99	13.58	13.12	12.12	11.36

*(out of the above Term Deposit of Rs. 493.99 mn is on lien against margin money, against bank guarantee and other commitments as at six months period ended September 2020 (Rs. 13.76 mn for September 2019, Rs. 13.12 mn for March 2020, Rs. 12.13 mn for March 2019 and Rs. 11.36 mn for March 2018)

Bank deposits earns interest at fixed rates. Short-term deposits are generally made for varying periods between three months to twelve months, depending on the cash requirements of the Company, and earn interest at the respective deposit rates.

11 Other Financial Assets (current)
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Unsecured and Considered Good					
Other Receivables	0.68	0.10	0.31	3.24	0.22
Interest Subsidy Receivable	2.62	6.44	6.44	6.44	11.44
Total	3.30	6.54	6.75	9.68	11.66

12 Other Current Assets
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Balance with Government Authorities	117.85	43.05	200.39	124.83	87.04
Prepaid Expenses	4.78	3.82	2.24	0.63	0.72
Others					
Security Deposits	5.45	4.15	3.76	4.09	3.16
Advances to Employees	10.02	9.24	9.23	4.12	3.40
Advances to Suppliers	57.65	61.30	31.27	24.20	24.67
Total	195.75	121.56	246.89	157.87	118.99

INDIA PESTICIDES LIMITED
13 Equity Share Capital
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)	As at 01st April 2017 (Proforma)
Authorised :						
3,50,000 Equity Shares of Rs 100 each (Refer note 13(d) and 13(e))	35.00	35.00	35.00	35.00	35.00	35.00
	35.00	35.00	35.00	35.00	35.00	35.00
Issued, Subscribed and Paid up :						
3,18,325 Equity Shares of Rs 100 Each (Refer note 13(d) and 13(e))	31.83	31.83	31.83	31.83	31.83	31.83
	31.83	31.83	31.83	31.83	31.83	31.83

a) Reconciliation of number of shares

Equity Shares	As at 30th September, 2020 Number	(Rs. in mn)	As at 30th September, 2019 Number	(Rs. in mn)	As at 31st March, 2020 Number	(Rs. in mn)	As at 31st March, 2019 Number	(Rs. in mn)	As at 31st March, 2018 Number	(Rs. in mn)
Shares outstanding at the beginning of the year	3,18,325	31.83	3,18,325	31.83	3,18,325	31.83	3,18,325	31.83	3,18,325	31.83
Shares issued during the year	-	-	-	-	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	3,18,325	31.83	3,18,325	31.83	3,18,325	31.83	3,18,325	31.83	3,18,325	31.83

b) Details of shareholders holding more than 5% of shares:

Name of Shareholders	As at 30th September, 2020 % of Holding	No. of Shares held	As at 30th September, 2019 % of Holding	No. of Shares held	As at 31st March, 2020 % of Holding	No. of Shares held	As at 31st March, 2019 % of Holding	No. of Shares held	As at 31st March, 2018 % of Holding	No. of Shares
Equity Shares of Rs. 100 each held by: (Refer note 13(d) and 13(e))										
1. Anand S Agarwal	40.20%	1,27,971	40.20%	1,27,971	40.20%	1,27,971	40.20%	1,27,971	40.20%	1,27,971
2. Sudha Agarwal	5.48%	17,438	5.48%	17,438	5.48%	17,438	5.48%	17,438	5.48%	17,438
3. Sneha Lata Agarwal	5.94%	18,918	5.94%	18,918	5.94%	18,918	5.94%	18,918	5.94%	18,918
4. Mahendra Swarup Agarwal	10.48%	33,375	10.48%	33,375	10.48%	33,375	10.48%	33,375	-	-
5. Mrs Asha Agarwal	-	-	-	-	-	-	-	-	7.13%	22,698
6. Mr Virendra Swarup Agarwal	-	-	-	-	-	-	-	-	6.90%	21,965
7. Mr Gaurav Agarwal	-	-	-	-	-	-	-	-	5.54%	17,640

As per the records of the Company, including its registers of Shareholders/Members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c) Rights, preferences and restrictions :

The company has only one class of equity shares having a par value of Rs 100 Per Share. Each holder of equity share is entitled to one vote per share. (Refer note 13(d) and 13(e))

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. the distribution will be in proportion to the no. of equity shares held by shareholder.

d) Split shares

As per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the Company has increased its existing authorised share capital to Rs. 15,00,00,000 consisting of 15,00,000 equity shares of face value of Rs.100 each. Further, the existing equity shares were split into 15,00,00,000 equity shares of face value of Rs.1 each.

Pursuant to above resolution the existing issued, paid up and subscribed share capital of the Company stands subdivided to 3,18,32,500 equity shares of Rs. 1 each.

e) Bonus Shares

As per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the Company has issued 7,95,81,250 bonus equity shares of face value of Rs. 1/- each in ratio of 2.5:1 (i.e. 5 (Five) Bonus Shares for every 2 (Two) Equity Share. Consequently the issued, subscribed and paid-up share capital has increased to Rs. 111.41 mn comprising of 11,14,13,750 equity shares of face value of Rs.1/- each.

f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current period/year end.
g) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period/ year end.

14 Other Equity
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)	As at 01st April 2017 (Proforma)
Securities Premium	8.58	8.58	8.58	8.58	8.58	8.58
General Reserve						
As per last Balance Sheet	589.37	489.37	489.37	389.37	289.37	189.37
Less : Transferred to Surplus	-	-	-	-	-	-
Add : Transferred from Surplus	-	-	100.00	100.00	100.00	100.00
Closing Balance	589.37	489.37	589.37	489.37	389.37	289.37
Retained Earnings						
As per last Balance Sheet	1,938.61	1,340.43	1,340.43	1,009.38	789.51	517.40
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	724.97	269.01	707.99	439.21	328.06	372.11
Less: Other Comprehensive income (net of tax)	2.02	2.59	2.14	0.50	0.52	-
Less : Appropriations	-	-	-	-	-	-
Transfer to General Reserve	-	-	100.00	100.00	100.00	100.00
Dividend distributed during the year (refer note below)	-	-	6.37	6.37	6.37	-
Corporate Dividend Tax on final dividend for previous year	-	-	1.30	1.30	1.30	-
	-	-	-	-	-	-
Closing Balance	2,661.56	1,606.85	1,938.61	1,340.43	1,009.38	789.51
Total	3,259.51	2,104.80	2,536.56	1,838.37	1,407.32	1,087.46

Nature and purpose of reserves

a) Securities premium - Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) General reserve - General reserve was created through an annual transfer of net income in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

(All amounts in Rupees Millions, unless otherwise stated)

Dividend on Equity shares paid during the year	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2018 (Proforma)
Final Dividend Rs.20 per equity share of Rs.100 each	-	-	6.37	6.37	6.37
Dividend distribution tax on final dividend	-	-	1.30	1.30	1.30

a) Proposed dividend

The Board of Directors at its meeting held on 11th November, 2020 have recommended a payment of final dividend of Rs.110 per equity share of face value of Rs.100 each for the financial year ended 31st March, 2020. The same amounts to Rs. 35.02 Mn. The above is approved at the Annual General Meeting of the Company held on 21st December, 2020. The same has not been recognised as a liability as dividend is declared after the reporting period.

b) Bonus issue

The Board of Directors at its meeting held on 21st December, 2020 recommended issue of 7,95,81,250 bonus equity shares of face value of Rs. 1/- each in ratio of 2.5:1 (i.e. 5 (Five) Bonus Shares for every 2 (Two) Equity Share. The above is approved at the Extraordinary General Meeting of the Company held on 28th December, 2020. The capitalization of reserves will be done in the reporting period in which it is approved i.e. post September 30, 2020.

c) Preferential allotment

The Board of Directors in its meeting dated 23rd January, 2021 have recommended raising of funds for an amount of Rs. 12.52 mn by way of issue of 371,380 Equity shares having face value of Rs. 1/- each at a premium of Rs. 32.70 on preferential allotment basis. The above is approved at the Extraordinary General Meeting of the Company held on 25st January, 2021. The same has not been recognised as it is approved after the reporting period.

15 Borrowings (Non-Current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Secured Term Loan:					
From Banks	5.62	37.96	22.24	56.02	87.08
Unsecured Term Loan:					
From Others	87.84	90.15	97.86	92.57	15.95
From Related parties	-	22.50	24.93	24.43	30.80
Less: Current maturities of Long term Debt	2.08	54.81	40.59	60.38	66.27
Total	91.38	95.80	104.44	112.64	67.56

i) Detail of Securities and Terms of repayment

a Out of total Secured Term Loan from Bank, outstanding of Rs. NIL as on 30th September 2020 (Rs. 29.98 Mn as on 30th September 2019, Rs.12.98 Mn as on 31st March 2020, Rs. 46.96 Mn as on 31st March, 2019 and Rs. 80.72 Mn as on 31st March, 2018) is secured by mortgage of Plant & Equipment and immovable properties located at Sandila Unit and carries Interest Rate @ 9% to 10%.

b Secured Term Loan from Banks comprise of multiple Vehicle Loans which are each repayable in balance 12 to 54 monthly instalments from the date of balance sheet. Interest rate for these loans ranges between 8.50 % to 10.00%.

c Loans from Others comprise of Inter corporate loans which are not due for repayment in the next 12 months from the date of the Balance Sheet. Interest on these loans are payable at rates ranging between 9% to 12 % per annum.

d Loans from Related Parties were due for repayment in the next 12 months from the date of the Balance Sheet along with interest @ 12 % per annum. The loan is repaid as on 30th September 2020.

ii) Refer Note 41 for maturity analysis.

16 Other Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Unsecured					
Lease Liability	1.10	1.10	1.10	-	-
Total	1.10	1.10	1.10	-	-

17 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Provision for Employee Benefits					
Provision for Compensated Absences	-	-	5.39	3.66	2.47
Total	-	-	5.39	3.66	2.47

18 Deferred Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Deferred Tax Liabilities					
Arising on account of:					
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961	76.47	77.09	73.28	72.64	68.66
Increase in borrowing cost pursuant to application of effective interest rate method	2.53	2.58	2.56	2.60	4.09
Provision for Employee Defined Benefit obligations	0.98	2.30	2.49	3.17	3.08
Provision for Compensated Absences	(1.51)	0.69	0.01	0.42	0.68
Deferred Tax Assets					
Arising on account of:					
Lease liability amortisation	(0.04)	(0.01)	(0.03)	-	-
Allowances for Doubtful debt and Advances	(4.89)	(3.45)	(3.70)	(2.83)	(2.20)
Difference in carrying value and Tax base of investments measured at FVTPL	0.55	(0.67)	(1.56)	(0.14)	(0.04)
Total	74.09	78.53	73.05	75.86	74.27

19 Borrowings (Current)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Secured					
From Banks	122.80	301.50	135.45	437.73	325.51
Total	122.80	301.50	135.45	437.73	325.51

i) Working capital loans are secured by first charge by way of hypothecation on the current assets of the Company namely inventories of raw materials, finished and work in progress, stores spares and consumables and packing materials, book debts and all other movable assets both present and future, and additionally secured by way of second charge on :

- The immovable properties situated at Plot No. E-17 to E-23, UPSIDC, Deva Road, Lucknow.
- Land & building situated at Khasra No. 691, Village Uttar Dhauna, Tiwariganj, Chihat, Faizabad Road, Lucknow owned by M/s Ram Swarup Cold Storage & Allied Ind. Lucknow.
- Hypothecation of Plant & Machinery at UPSIDC, Deva Road, Lucknow in favour of the bankers.
- Leasehold Industrial plot at K4 & K5 at UPSIDC, Sandila, UP.

ii) Refer Note 41 for maturity analysis.

20 Trade Payables

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
(a) Dues to MSME	50.01	19.54	16.85	17.37	15.72
(b) Dues to Other than MSME	1,071.28	750.93	598.57	531.59	351.65
Total	1,121.29	770.47	615.42	548.96	367.37

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 days terms.

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
(a) Amount remaining unpaid to any supplier at the end of each accounting year:					
Principal	50.01	19.54	16.85	17.37	15.72
Interest	0.23	0.14	0.66	0.10	0.04
Total	50.24	19.68	17.51	17.47	15.76
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.23	0.14	0.66	0.10	0.04
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.03	-	-	-	-

21 Other Financial Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Current maturities of Long-term debts / borrowings					
Term Loans					
Secured					
From Banks (Refer note no 18)	2.08	32.23	15.57	35.79	35.34
Unsecured					
From Related Parties	-	22.50	24.93	24.43	30.80
Trade and Security Deposits from Customers	49.63	41.04	41.83	32.12	25.61
Lease Liability	0.04	0.01	0.03	-	-
Total	51.75	95.78	82.36	92.34	91.75

22 Other Current Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Other Advances					
Advance from Customers	59.17	14.55	52.36	20.44	24.51
Others					
Statutory Liabilities	4.27	3.27	10.18	7.08	4.66
Total	63.44	17.82	62.54	27.52	29.17

23 Provisions

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Provision for Employee Benefits					
Provision for Compensated Absences	11.94	3.04	0.53	0.30	0.21
Total	11.94	3.04	0.53	0.30	0.21

24 Current Tax Liabilities (Net)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Tax Payable	97.99	16.05	8.35	3.16	6.16
(Net of Advance Tax & TDS 161.80 mn as at 30th September, 2020, 87.65 mn as at 30th September, 2019, 222.91 mn as at 31st March, 2020, 173.1 mn as at 31 March, 2019 and 156.34 mn as at 31st March, 2018)					
Total	97.99	16.05	8.35	3.16	6.16

25 Revenue from Operations

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
(i) Sales of products					
Home Market (Net of Returns)	1,103.43	996.31	1,800.34	1,694.64	1,654.45
Exports	2,194.48	1,196.82	2,979.24	1,707.96	875.45
	3,297.91	2,193.13	4,779.58	3,402.60	2,529.90
(ii) Other Operating Revenues					
Export Incentives	40.53	4.42	16.69	4.28	2.10
Total	3,338.44	2,197.55	4,796.27	3,406.88	2,532.00

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Revenue as per contracted price	3,297.91	2,193.13	4,779.58	3,402.60	2,529.90
Less: Discounts	-	-	-	-	-
Revenue from contract with customers	3,297.91	2,193.13	4,779.58	3,402.60	2,529.90

Effective 1st April 2017 (proforma), the Company has adopted IND AS 115 "Revenue from Contracts with customers". The effect on adoption of IND AS 115 does not have any material impact on the financial statements of the Company.

26 Other Income

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Interest Income from financial assets at amortised cost					
On bank deposits	8.94	1.16	2.82	2.97	2.55
Other Interest	1.81	0.20	1.13	1.14	0.24
Dividend Income	0.02	0.01	0.08	0.04	0.05
Other non-operating Income (Net of expenses directly attributable to such income)					
Fair value of Investment through Amortised cost	0.17	0.19	0.39	0.05	-
Fair value of Investments at fair value through profit and loss	7.11	-	-	-	1.20
Miscellaneous income	0.02	0.03	0.96	2.80	0.21
Other gains and losses					
Net Gain on foreign currency transactions & translation	13.79	26.39	95.43	46.13	20.96
Profit from Sale of Investments	2.13	0.88	-	-	1.11
Profit on Sale of Property, Plant & Equipment	-	-	0.19	0.41	0.25
Total	33.99	28.86	101.00	53.54	26.57

27 Cost of Materials Consumed

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Raw materials					
Opening stock	145.78	154.26	154.26	73.62	75.92
Add : Purchases of Raw Material	1,623.85	1,200.70	2,380.10	1,888.83	1,105.42
	-	-	-	-	-
Less: Closing stock	185.88	189.31	145.78	154.26	73.62
TOTAL	1,583.75	1,165.65	2,388.58	1,808.19	1,107.72
Packing Materials Consumed					
Opening Stock	23.47	20.07	20.07	13.57	12.90
Add:Purchases of Packing Material	122.42	98.67	180.88	143.65	91.40
	-	-	-	-	-
Less: Closing Stock	32.23	24.89	23.47	20.07	13.57
TOTAL	113.66	93.85	177.48	137.15	90.73
Total	1,697.41	1,259.50	2,566.06	1,945.34	1,198.45

28 Intentionally left blank

29 Changes in inventories of finished goods, Stock-in-trade and work-in-progress

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Inventories at the beginning of the year					
Finished Goods	182.85	160.15	160.15	96.27	139.51
Work in Progress	28.08	15.71	15.71	5.18	8.66
(a)	210.93	175.86	175.86	101.45	148.17
Inventories at the end of the year					
Finished goods	351.10	256.46	182.85	160.15	96.27
Work in Progress	9.09	9.03	28.08	15.71	5.18
(b)	360.19	265.49	210.93	175.86	101.45
Net (Increase)/Decrease in Inventories (a) -(b)	(149.26)	(89.63)	(35.07)	(74.41)	46.72

30 Employee Benefits Expense

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Salaries, wages and benefits	91.42	67.88	142.33	115.83	105.51
Contribution to provident and other funds	9.39	5.56	16.48	15.06	11.87
Staff welfare expenses	2.70	2.06	5.19	3.59	3.20
Total	103.51	75.50	164.00	134.48	120.58

31 Finance Costs
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Interest expense				-	
- Cash credit facilities / buyers' credit	4.36	13.41	24.23	25.94	16.61
- Term Loans from Banks	0.92	2.46	4.28	7.82	13.63
(Net of subsidy Rs. NIL for 30 September 2020, 30 September 2019 and 31 March 2020 ; 50 millions for 31 March 2019 ; 50 millions for 31 March 2018)					
- On Other Loans	4.95	5.70	11.40	10.56	6.36
- Others	2.40	3.03	5.93	5.55	3.23
Other Borrowing Costs	4.35	2.49	6.34	5.89	3.80
Total	16.98	27.09	52.18	55.76	43.63

2 & 3 Depreciation and Amortisation Expense
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Depreciation on Property, Plant & equipment & Right of Use and Amortisation of Intangible Assets	32.00	25.30	50.69	39.58	35.04
Total	32.00	25.30	50.69	39.58	35.04

32 Other Expenses
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Consumption of stores, spares and consumables	199.58	247.12	440.76	250.28	149.73
Power and Fuel	136.30	104.31	223.70	171.85	127.60
Labour Charges	75.73	36.69	90.58	32.96	24.84
Pollution Control Expenses	8.81	3.21	10.64	7.06	7.29
Freight and handling Charges	152.99	71.92	176.88	113.80	87.94
Advertisement and Sales Promotion Expenses	7.12	3.86	9.40	9.94	7.91
Legal and Professional expenses	44.66	37.47	77.15	69.03	31.69
Travelling & Conveyance	14.68	20.41	36.96	34.60	33.54
Rent Expenses	3.83	2.73	7.75	6.07	5.68
Repairs & Maintenance					
-Building	2.44	0.69	1.66	3.39	4.46
-Others	10.31	6.88	7.36	4.43	5.06
- Machinery	7.84	8.31	23.19	13.58	4.64
Rates, Fees and Taxes	2.11	1.54	8.25	4.91	33.27
Excise Duty Paid	-	-	-	-	51.15
Testing and Sampling Charges	1.66	2.83	7.50	4.24	3.28
Insurance	3.80	1.86	6.80	3.43	2.77
Printing, Stationery and Communication Expenses	3.08	3.16	6.66	6.33	5.67
Corporate Social Responsibility Expenses and Other Donations*	5.15	1.87	4.71	1.68	1.94
Payment to Auditors					
- Statutory Audit Fees	2.00	1.00	2.00	0.20	0.20
- In other Capacity					
For Tax Audit	1.00	-	-	0.08	0.08
For other matters	-	-	-	0.03	0.03
Bad Debts	0.04	-	4.84	0.64	17.09
Provision for Doubtful Debts	4.71	2.47	3.47	2.15	0.67
Loss from Sale of Investments	-	-	0.15	0.49	-
Fair value of Investments at fair value through profit and loss	-	2.86	5.80	0.07	-
Miscellaneous Expenses	5.89	4.68	9.51	7.43	5.80
Total	693.73	565.87	1,165.72	748.67	612.33

* Note : **Corporate Social Responsibility Expenses**

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Gross Amount Required to be spent by the Company :	6.86	5.51	11.03	9.74	7.95
Amount spent during the year / period on:					
i Construction / Acquisition of any assets	-	-	-	-	-
ii Purpose other than above	5.14	1.65	4.64	1.39	1.77
Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Related party transactions in relation to Corporate Social Responsibility:	-	-	-	-	-
Provision movement during the year/ Period:	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Opening provision	-	-	-	-	-
Addition during the year / Period	-	-	-	-	-
Utilised during the year /Period	-	-	-	-	-
Closing provision	-	-	-	-	-

33 Leases

Following are the changes in the carrying value of right of use assets (Land)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	42.56	-	-	-	-
Reclassified on account of adoption of Ind AS 116	-	40.64	40.64	-	-
Additions	0.33	1.94	1.94	-	-
Deletions	-	-	-	-	-
Depreciation	0.01	0.01	0.02	-	-
Closing Balance	42.88	42.57	42.56	-	-

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. Rent expense recorded for short-term leases was Rs. 3.83 mn for the six months period ended September 30, 2020 (Rs. 2.73 Mn for the period ended September 30, 2019 and Rs. 7.76 Mn for the year ended March 31, 2020). The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense in the statement of profit and loss.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include the options when it is reasonably certain that they will be exercised.

The lease liability is initially measure at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Transition

Effective from 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at end of the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset as at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

b The Impact of adoption of Ind AS 116 on Statement of Profit and Loss for the year ended March 31, 2020 is not significant.

34 Contingent Liabilities

(All amounts in Rupees Millions, unless otherwise stated)

Claims against the Company not acknowledged as debts	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Tax matters in dispute under appeal	6.31	1.69	6.31	1.69	1.69

35 Assets and liabilities relating to Employee Benefits

See accounting policy in Note 1.(a)

For details about the related employee benefit expenses, refer Note 30

A. Defined Contribution Plan:

The Company's defined contribution plans are superannuation, employees state insurance scheme and provident fund administered by Government since the Company has no further obligation beyond making the contributions.

The expenses recognised during the year towards defined contribution plans are as detailed below:

Particulars	(All amounts in Rupees Millions, unless otherwise stated)				
	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (Proforma)
Provident Fund and other Funds	6.10	5.52	11.17	10.67	9.93
Total (included in Note 30 - 'Contribution to provident and other funds')	6.10	5.52	11.17	10.67	9.93

B. Defined Benefit Obligation:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972/ Company policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/ Company policy multiplied for the number of years of service.

The plan asset for the funded gratuity plan is invested in insurer managed fund administered by Life Insurance Corporation of India ('LIC'), independently as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority Regulations i.e., 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial study analysis	Gratuity					Leave Encashment				
	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018
Principal actuarial assumptions										
Discount rate	6.15%	6.85%	6.65%	7.60%	7.80%	6.15%	6.85%	6.65%	7.60%	7.80%
Range of compensation increase	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Withdrawal Rate:										
- Younger ages	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
- Older ages	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	-	-	-	-	-	-	-	-	-	-
Plan duration	-	-	-	-	-	-	-	-	-	-

(All amounts in Rupees Millions, unless otherwise stated)

Actuarial study analysis	Gratuity					Leave Encashment				
	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018	30th September 2020	30th September 2019	31 March 2020	31 March 2019	31 March 2018
Components of income statement charge										
Current service cost	2.15	1.63	3.12	2.54	2.13	0.65	1.20	1.96	1.28	0.90
Interest cost	1.14	1.04	2.08	1.75	1.41	-	-	-	-	-
Recognition of past service cost	-	-	-	-	-	-	-	-	-	-
Immediate recognition of (gain)/losses	-	-	-	-	-	-	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-	-	-	-	-	-	-
Total charged to statement of profit or loss	3.29	2.67	5.20	4.29	3.54	0.65	1.20	1.96	1.28	0.90
Total charged to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Movements in net liability/(asset)										
Net liability at the beginning of the year	36.05	28.00	28.00	23.01	20.26	5.92	3.96	3.96	2.68	1.78
Employer contributions	-	-	-	-	-	-	-	-	-	-
Total expense recognised in the statement of profit or loss	3.29	2.67	5.20	4.29	3.55	0.65	1.20	1.96	1.28	0.90
Total expense recognised in the Retained Earnings	-	-	-	-	-	-	-	-	-	-
Total amount recognised in OCI	2.70	3.46	2.86	0.70	(0.80)	-	-	-	-	-
Net liability at the end of the year	42.04	34.13	36.06	28.00	23.01	6.57	5.16	5.92	3.96	2.68
Reconciliation of benefit obligations										
Obligation at start of the year	15.79	7.73	7.73	2.74	-	5.92	3.96	3.96	2.68	1.78
Current service cost	2.15	1.63	3.12	2.54	2.13	0.65	1.20	1.96	1.28	0.90
Interest cost	1.14	1.04	2.08	1.75	1.41	-	-	-	-	-
Benefits paid directly by the Group	-	-	-	-	-	-	-	-	-	-
Extra payments or expenses/(income)	-	-	-	-	-	-	-	-	-	-
Obligation of past service cost	-	-	-	-	-	-	-	-	-	-
Actuarial gain/loss	2.70	3.46	2.86	0.70	(0.80)	-	-	-	-	-
Defined benefits obligations at the end of the year	21.78	13.86	15.79	7.73	2.74	6.57	5.16	5.92	3.96	2.68
Re-measurements of defined benefit plans										
Actuarial gain/(loss) due to changes in demographic assumptions	-	-	0.01	-	-	-	-	-	-	-
Actuarial gain/(loss) due to changes in financial assumptions	(1.51)	(1.77)	(2.39)	(0.41)	(1.19)	-	-	-	-	-
Actuarial gain/(loss) on account of experience adjustments	(1.19)	(1.69)	(0.48)	(0.30)	0.38	-	-	-	-	-
Total actuarial gain/(loss) recognised in OCI	(2.70)	(3.46)	(2.86)	(0.70)	(0.80)	-	-	-	-	-
Total actuarial gain/(loss) recognised in Statement of profit or loss	(2.70)	(3.46)	(2.86)	(0.71)	(0.81)	-	-	-	-	-

Sensitivity analysis of significant assumptions

- C. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(All amounts in Rupees Millions, unless otherwise stated)

Sensitivity of DBO, Service Cost, and P&L Account	Gratuity									
	Six months period ended September, 2020		Six months period ended September, 2019		Year ended 31st March, 2020		Year ended 31st March, 2019		Year ended 31st March, 2018	
	% increase in DBO	Liability	% increase in DBO	Liability	% increase in DBO	Liability	% increase in DBO	Liability	% increase in DBO	Liability
Discount rate										
+ 0.5% discount rate	-3.60%	40.53	-3.52%	32.92	-3.58%	34.76	-3.57%	27.00	-3.70%	22.15
- 0.5% discount rate	3.84%	43.66	-3.74%	35.40	3.82%	37.43	3.79%	29.06	3.93%	23.91
Salary increase										
+ 0.5% salary growth	3.73%	43.61	-3.68%	35.38	3.74%	37.40	3.77%	29.05	3.93%	23.91
+ 0.5% salary growth	-3.55%	40.55	-3.51%	32.93	-3.57%	34.77	-3.60%	26.99	-3.74%	22.14
Withdrawal rate										
+ 0.5% salary growth	-0.31%	41.91	-0.14%	34.08	-0.18%	35.99	0.02%	28.00	0.07%	23.02
- 0.5% salary growth	0.32%	42.18	-0.14%	34.17	0.19%	36.12	-0.03%	27.99	-0.08%	22.99

(All amounts in Rupees Millions, unless otherwise stated)

Sensitivity of DBO, Service Cost, and P&L Account	Leave Encashment				
	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018
Discount rate					
+ 0.5% discount rate	6.29	4.95	5.67	3.80	2.57
- 0.5% discount rate	6.87	5.40	6.19	4.14	2.80
Salary increase					
+ 0.5% salary growth	6.87	5.40	6.19	4.14	2.80
+ 0.5% salary growth	6.29	4.95	5.67	3.80	2.57
Withdrawal rate					
+ 1.1 % salary growth	6.55	5.16	5.92	3.97	2.69
- 1.1 % salary growth	6.59	5.17	5.93	3.95	2.67

Note:
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

36 Related party disclosures as per Ind AS 24

1) Related parties with whom transactions have taken place during the year and its relationship:

Name of the related parties	Designation / Relationship
Rajendra Singh Sharma	Key Management Personnel
Ashok Kumar Gupta	Key Management Personnel
Govind Singh Mehta	Non-executive Director
Pranav Agarwal	Independent Director
Shweta Agarwal	Independent Director
Anand Swarup Agarwal	Non-executive Director
Sanju Agarwal	Relative to Promoter
Vishal Swarup Agarwal	Relative to Promoter
Vishwas Swarup Agarwal	Relative to Promoter
Mahendra Swarup Agarwal	Relative to Promoter
Virendra Swarup Agarwal	Relative to Promoter
Pramod Swarup Agarwal	Relative to Promoter
Sudha Agarwal	Relative to Promoter

2 Transactions during the year

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018
Remuneration					
Rajendra Singh Sharma	0.31	0.30	0.60	0.55	0.50
Ashok Kumar Gupta	0.78	0.72	1.47	1.07	0.97
Director Sitting fees					
Govind Singh Mehta	-	-	0.08	0.08	0.03
Pranav Agarwal	-	-	0.04	0.04	0.03
Shweta Agarwal	-	-	0.04	0.04	0.03
Professional Fees					
Sanju Agarwal	0.45	0.15	0.70	0.30	0.30
Vishal Swarup Agarwal	6.00	6.00	12.00	12.00	3.00
Vishwas Swarup Agarwal	6.00	6.00	12.00	12.00	3.00
Anand Swarup Agarwal	6.00	6.00	12.00	12.00	3.00
Mahendra Swarup Agarwal	0.30	0.30	0.60	0.60	0.60
Virendra Swarup Agarwal	0.30	0.30	0.60	0.60	0.60
Pramod Swarup Agarwal	0.30	0.30	0.60	0.60	0.60
Sudha Agarwal	0.15	0.15	0.30	0.30	0.30
Rent Expense					
Vishal Swarup Agarwal	0.27	0.27	0.54	0.54	0.36
Reimbursement of Expenses					
Vishal Swarup Agarwal	0.60	0.40	1.20	1.20	1.25
Interest on Unsecured Loan					
Mahendra Swarup Agarwal	0.42	0.63	1.27	1.27	1.28
Pramod Swarup Agarwal	0.28	0.42	0.83	0.83	0.84
Sudha Agarwal	0.20	0.30	0.60	0.60	0.61
TOTAL	22.36	22.24	45.47	44.62	17.30

3 Outstanding balances as at the year end

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Unsecured Loans					
Mahendra Swarup Agarwal	-	10.55	11.69	11.69	11.69
Pramod Swarup Agarwal	-	6.95	7.70	7.20	7.20
Sudha Agarwal	-	5.00	5.54	5.54	5.54

4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. No balances in respect of the related parties has been provided for written off / written back, except what is stated above.

Related party relationship is as identified by the management and relied upon by the auditors.

37 Financial Instruments

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed below and Note 1.

A Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values of financial instruments:

- The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).
- Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Financial Assets and Liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

a. Financial Assets

Particulars	Instruments carried at fair value			(All amounts in Rupees Millions, unless otherwise stated)		
	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL	Instruments carried at amortized cost*	Total Fair Value	Total Carrying Value
As at 31st March, 2018 (Proforma)						
(i) Investments	-	-	32.98	0.04	33.02	33.02
(ii) Other financial assets	-	-	-	50.12	50.12	50.12
(iii) Trade receivables	-	-	-	1,247.79	1,247.79	1,247.79
(iv) Cash and cash equivalents	-	-	-	23.52	23.52	23.52
(v) Other Balances with Banks	-	-	-	11.36	11.36	11.36
Total	-	-	32.98	1,332.83	1,365.81	1,365.81
As at 31st March, 2019						
(i) Investments	-	-	26.53	4.09	30.62	30.62
(ii) Other financial assets	-	-	-	47.53	47.53	47.53
(iii) Trade receivables	-	-	-	1,783.13	1,783.13	1,783.13
(iv) Cash and cash equivalents	-	-	-	16.30	16.30	16.30
(v) Other Balances with Banks	-	-	-	12.12	12.12	12.12
Total	-	-	26.53	1,863.17	1,889.70	1,889.70
As at 30th September, 2019						
(i) Investments	-	-	25.60	4.28	29.88	29.88
(ii) Other financial assets	-	-	-	46.71	46.71	46.71
(iii) Trade receivables	-	-	-	1,827.07	1,827.07	1,827.07
(iv) Cash and cash equivalents	-	-	-	50.99	50.99	50.99
(v) Other Balances with Banks	-	-	-	13.58	13.58	13.58
Total	-	-	25.60	1,942.63	1,968.23	1,968.23
As at 31st March, 2020						
(i) Investments	-	-	25.89	4.48	30.37	30.37
(ii) Other financial assets	-	-	-	55.59	55.59	55.59
(iii) Trade receivables	-	-	-	1,831.74	1,831.74	1,831.74
(iv) Cash and cash equivalents	-	-	-	67.17	67.17	67.17
(v) Other Balances with Banks	-	-	-	13.12	13.12	13.12
Total	-	-	25.89	1,972.10	1,997.99	1,997.99
As at 30th September, 2020						
(i) Investments	-	-	37.70	4.65	42.35	42.35
(ii) Other financial assets	-	-	-	51.99	51.99	51.99
(iii) Trade receivables	-	-	-	2,248.74	2,248.74	2,248.74
(iv) Cash and cash equivalents	-	-	-	28.86	28.86	28.86
(v) Other Balances with Banks	-	-	-	752.99	752.99	752.99
Total	-	-	37.70	3,087.23	3,124.93	3,124.93

b. Financial Liabilities
(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Fair value through profit & loss	At amortized cost*	Total carrying amount	Total Fair Value
As at 31st March, 2018 (Proforma)				
(i) Borrowings	-	393.07	393.07	393.07
(ii) Other Financial Liabilities		91.75	91.75	91.75
(ii) Trade Payables	-	367.38	367.38	367.38
Total	-	852.20	852.20	852.20
As at 31st March, 2019				
(i) Borrowings	-	550.36	550.36	550.36
(ii) Other Financial Liabilities		92.34	92.34	92.34
(ii) Trade payables	-	548.96	548.96	548.96
Total	-	1,191.66	1,191.66	1,191.66
As at 30th September, 2019				
(i) Borrowings	-	397.30	397.30	397.30
(ii) Other Financial Liabilities	-	96.87	96.87	96.87
(ii) Trade payables	-	770.47	770.47	770.47
Total	-	1,264.64	1,264.64	1,264.64
As at 31st March, 2020				
(i) Borrowings	-	239.89	239.89	239.89
(ii) Other financial liabilities		83.45	83.45	83.45
(ii) Trade payables	-	615.42	615.42	615.42
Total	-	938.76	938.76	938.76
As at 30th September, 2020				
(i) Borrowings	-	214.18	214.18	214.18
(ii) Other financial liabilities	-	52.85	52.85	52.85
(ii) Trade payables	-	1,121.29	1,121.29	1,121.29
Total	-	1,388.32	1,388.32	1,388.32

*The carrying value and fair value approximation, if any.

c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- Level 1: It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 measured at fair value:

As at 31st March, 2018 (Proforma)	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	5.14	-	-	5.14
Investment in Mutual Funds	27.84	-	-	27.84
As at 31st March, 2019	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	6.18	-	-	6.18
Investment in Mutual Funds	20.35	-	-	20.35
As at 30th September, 2019	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	6.34	-	-	6.34
Investment in Mutual Funds	19.26	-	-	19.26
As at 31st March, 2020	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	5.14	-	-	5.14
Investment in Mutual Funds	20.75	-	-	20.75
As at 30th September, 2020	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value				
Investments in Equity Shares	8.44	-	-	8.44
Investment in Mutual Funds	29.25	-	-	29.25

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38 Segment Reporting

The Board of Directors are identified as Chief Operating Decision Maker of the Company. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly, they have determined "Agro Chemicals" as its only operating Segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all as reflected in the Financial Statements.

Geographical Information

(All amounts in Rupees Millions, unless otherwise stated)

a. Revenue from external customers	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (Proforma)
attributed to the Company's country of domicile, India	1,103.43	996.31	1,800.34	1,694.64	1,654.45
attributed to all foreign countries	2,194.48	1,196.82	2,979.24	1,707.96	875.45
Total	3,297.91	2,193.13	4,779.58	3,402.60	2,529.90

b. Revenues from transactions with a customers exceeding 10% of the Company's sales in current as well as previous year.	1,766.70	551.21	1,403.94	1,009.60	569.66

c. Non-current assets (excluding Deferred/ Current Tax and Financial Assets)	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
located in the Company's country of domicile, India	1,010.53	915.78	1,005.79	749.60	717.57
located in all foreign countries	-	-	-	-	-
Total	1,010.53	915.78	1,005.79	749.60	717.57

39 Income tax

This note provides an analysis of the group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
(i) Tax expense recognised in the restated statement of profit and loss					
Current Tax on profits for the year	251.37	90.23	230.95	170.00	160.00
Adjustments for current tax of prior periods	-	-	-3.16	-	-
Total Current Tax Expense	251.37	90.23	227.79	170.00	160.00
Deferred Tax charge/ (credit) P&L	1.72	3.54	(2.09)	1.79	13.76
(Decrease) increase in deferred tax liabilities	-	-	-	-	-
Total Deferred Tax Expense	1.72	3.54	(2.09)	1.79	13.76
Income tax expense recognised in the restated statement of profit and loss	253.09	93.77	225.70	171.79	173.76
(ii) Tax expense recognised in OCI					
Deferred Tax:					
Deferred Tax expense on Remeasurement of defined benefit plans	0.68	0.87	0.72	0.20	0.28
Income tax expense recognised in the restated statement of profit and loss	0.68	0.87	0.72	0.20	0.28

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:					
Enacted income tax rate in India applicable to the Company (in %)	25.17	25.17	25.17	29.12	34.61
Profit/ (Loss) before income tax expense	978.06	362.78	933.69	611.00	501.82
Current tax expense on Profit/ (loss) before tax expenses at enacted income tax rate in India	246.16	91.30	234.99	177.92	173.67
Tax effects of:					
Tax effect on non-deductible expenses	4.30	0.47	1.12	0.38	0.62
Effect of Income which is taxed at special rates	0.39	0.16	(0.05)	(0.18)	(0.93)
Effect of Income that is exempted from tax	(0.01)	(0.00)	(0.02)	(0.01)	(0.56)
Effect of Government grants offered to income tax on receipt basis	0.96	-	1.62	-	-
Effects of Adjustments for current tax of prior periods	-	-	(3.16)	3.16	-
Effect of change in tax rate	-	-	(9.85)	(10.89)	-
Other items	1.29	1.84	1.05	1.41	0.96
Total Income tax expense	253.09	93.77	225.70	171.79	173.76

The Company elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-tax Act, 1961 inserted vide Taxation Laws (Amendment) Act, 2019. The Company, accordingly has recognized Provision for Income Tax.

The details of Income tax Assets / Liabilities are as follows:-

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Income Tax Assets	-	-	-	-	-
Current Income Tax Liabilities	97.99	16.05	8.35	3.16	6.16
Net Current Income Tax Assets at the end of the year	97.99	16.05	8.35	3.16	6.16

The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 30th September, 2020

Particulars	Balance sheet 01 st April 2020	Profit and loss 01st April 2020 - 30th September 2020	OCI 01st April 2020 - 30th September 2020	Balance sheet 30th September 2020
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	73.28	3.19	-	76.47
Increase in borrowing cost pursuant to application of effective interest rate method	2.56	(0.03)	-	2.53
Provision for Employee Defined Benefit obligations	2.49	(2.19)	0.68	0.98
Provision for Compensated Absences	0.01	(1.52)	-	(1.51)
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	(0.03)	(0.01)	-	(0.04)
Allowances for Doubtful debt and Advances	(3.70)	(1.19)	-	(4.89)
Difference in carrying value and Tax base of investments measured at FVTPL	(1.56)	2.11	-	0.55
Total	73.05	0.36	0.68	74.09

As at 31st March, 2020

Particulars	Balance sheet 01 st April 2019	Profit and loss 2019-2020	OCI 2019-2020	Balance sheet 31st March 2020
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	72.64	0.64	-	73.28
Increase in borrowing cost pursuant to application of effective interest rate method	2.60	(0.04)	-	2.56
Provision for Employee Defined Benefit obligations	3.17	(1.40)	0.72	2.49
Provision for Compensated Absences	0.42	(0.41)	-	0.01
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	-	(0.03)	-	(0.03)
Allowances for Doubtful debt and Advances	(2.83)	(0.87)	-	(3.70)
Difference in carrying value and Tax base of investments measured at FVTPL	(0.14)	(1.42)	-	(1.56)
Total	75.86	(3.53)	0.72	73.05

As at 30th September, 2019

Particulars	Balance sheet 01 st April 2019	Profit and loss 01st April 2019 - 30th September 2019	OCI 01st April 2019 - 30th September 2019	Balance sheet 30th September 2019
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	72.64	4.45	-	77.09
Increase in borrowing cost pursuant to application of effective interest rate method	2.60	(0.02)	-	2.58
Provision for Employee Defined Benefit obligations	3.17	(1.74)	0.87	2.30
Provision for Compensated Absences	0.42	0.28	-	0.70
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	-	(0.01)	-	(0.01)
Allowances for Doubtful debt and Advances	(2.83)	(0.62)	-	(3.45)
Difference in carrying value and Tax base of investments measured at FVTPL	(0.14)	(0.54)	-	(0.68)
Total	75.86	1.80	0.87	78.53

As at 31st March, 2019

Particulars	Balance sheet 01 st April 2018	Profit and loss 2018-2019	OCI 2018-2019	Balance sheet 31 st March 2019
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	68.66	3.98	-	72.64
Borrowing (Borrowing Cost Ind AS Impact)	4.09	(1.49)	-	2.60
Provision for Gratuity	3.08	(0.11)	0.20	3.17
Provision for Compensated Absences	0.68	(0.26)	-	0.42
Actuarial Gain /loss	-	-	-	-
Provision for Proposed division	-	-	-	-
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	-	-	-	-
Provision for ECL for Trade receivable	(2.20)	(0.63)	-	(2.83)
Fair valuation of Investment	(0.04)	(0.10)	-	(0.14)
Total	74.27	1.39	0.20	75.86

As at 31st March, 2018 (Proforma)

Particulars	Balance sheet 01 st April 2017	Profit and loss 2017-2018	OCI 2017-2018	Balance sheet 31 st March 2018
Deferred Tax Liabilities				
Arising on account of:				
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	68.66	-	-	68.66
Borrowing (Borrowing Cost Ind AS Impact)	-	4.09	-	4.09
Provision for Gratuity	-	3.36	(0.28)	3.08
Provision for Compensated Absences	-	0.68	-	0.68
Actuarial Gain /loss	-	-	-	-
Provision for Proposed division	-	-	-	-
Deferred Tax Assets				
Arising on account of:				
Lease liability amortisation	-	-	-	-
Provision for ECL for Trade receivable	-	(2.20)	-	(2.20)
Fair valuation of Investment	-	(0.04)	-	(0.04)
Total	68.66	5.89	(0.28)	74.27

40 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i Profit attributable to Equity holders of Company

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (proforma)
Profit attributable to equity share holders of the Company for basic and diluted earnings per share	724.97	269.01	707.99	439.21	328.06

ii Weighted average number of ordinary shares

Particulars	As at 30th September, 2020*	As at 30th September, 2019*	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Equity shares outstanding as at year end	3,18,325	3,18,325	3,18,325	3,18,325	3,18,325
Equity shares post split and bonus (Refer note 13(d) and 13(e))					
Weighted average number of shares as at year end for basic earnings per shares	11,14,13,750	11,14,13,750	11,14,13,750	11,14,13,750	11,14,13,750
Weighted average number of shares as at year end for diluted earnings per shares	11,14,13,750	11,14,13,750	11,14,13,750	11,14,13,750	11,14,13,750
Basic earnings per share (in Rs)	6.51	2.41	6.35	3.94	2.94
Diluted earnings per share (in Rs)	6.51	2.41	6.35	3.94	2.94

(*not annualised)

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41 Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board has been monitoring the risks that the Company is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Interest rate risk

(A) Credit risk

Credit risk arises from the possibility that the value of receivables or other financial assets of the Company may be impaired because counterparties cannot meet their payment or other performance obligations.

To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviours. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Company had no other financial instrument that represents a significant concentration of credit risk.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of profit & loss.

Credit risk is managed at Company level.

For other financial assets, the Company assesses and manages credit risk based on internal control and credit management system. The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and management is performed on a Company basis for each class of financial instruments with different characteristics.

The Company considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) are also considered as part of the internal credit management system.

A default on a financial asset is when the counterparty fails to make payments as per contract. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than 3 months, since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

Ageing of account receivables : *(All amounts in Rupees Millions, unless otherwise stated)*

	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
0-3 months	1,081.39	877.38	880.09	855.24	598.66
More than 3 months	1,184.05	960.68	963.64	936.41	655.50
Total	2,265.44	1,838.06	1,843.73	1,791.65	1,254.16

Reconciliation of loss allowance - Trade Receivables *(All amounts in Rupees Millions, unless otherwise stated)*

	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Opening balance	11.99	8.52	8.52	6.37	6.37
Allowance made during the year	4.71	2.47	3.47	2.15	-
Closing balance	16.70	10.99	11.99	8.52	6.37

The Company maintains exposure in cash and cash equivalents, deposits with banks, investments, and other financial assets. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/ recoverable values.

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(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecast of Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturity analysis of significant financial liabilities

(All amounts in Rupees Millions, unless otherwise stated)

	As at 30th September, 2020			As at 30th September, 2019			As at 31st March, 2020			As at 31st March, 2019			As at 31st March, 2018 (Proforma)		
	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year	Carrying amount	Upto 1 year	More than 1 year
Non-derivative financial liabilities															
Term Loans	93.46	2.08	91.38	150.61	54.81	95.80	145.03	40.59	104.44	173.02	60.38	112.64	133.83	66.27	67.56
Short Term Borrowings	122.80	122.80	-	301.50	301.50	-	135.45	135.45	-	437.73	437.73	-	325.51	325.51	-
Trade and Other Payables	1,121.29	1,121.29	-	770.47	770.47	-	615.42	615.42	-	548.96	548.96	-	367.37	367.37	-
Other Financial Liabilities	50.77	0.04	50.73	42.15	0.01	42.14	42.96	0.03	42.93	32.12	-	32.12	25.61	-	25.61
Other Current Liabilities	63.44	63.44	-	17.82	17.82	-	62.54	62.54	-	27.52	27.52	-	29.17	29.17	-

(C) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign Currency Risk

Foreign currency opportunities and risks for the Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar(USD).

The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has put in place a Financial Risk Management Policy to identify the most effective and efficient ways of managing the currency risks.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are as below:

	As at 30th September , 2020			As at 30th September, 2019			As at 31st March, 2020			As at 31st March, 2019			As at 31st March, 2018 (Proforma)		
	INR Rs in mn	EURO Rs in mn	USD RS in mn	INR Rs in mn	EURO Rs in mn	USD RS in mn	INR Rs in mn	EURO Rs in mn	USD RS in mn	INR Rs in mn	EURO Rs in mn	USD RS in mn	INR Rs in mn	EURO Rs in mn	USD RS in mn
Financial Assets															
Trade Receivables	1,123.14	23.61	1,101.99	1,098.82	75.26	653.00	1,289.17	79.91	462.65	929.82	74.54	778.76	786.60	48.03	413.16
Total	1,123.14	23.61	1,101.99	1,098.82	75.26	653.00	1,289.17	79.91	462.65	929.82	74.54	778.76	786.60	48.03	413.16
Financial Liabilities															
Trade payables	899.38	2.16	219.75	653.52	-	116.96	528.14	-	87.28	451.95	-	97.02	317.97	-	49.40
Total	899.38	2.16	219.75	653.52	-	116.96	528.14	-	87.28	451.95	-	97.02	317.97	-	49.40

The following significant exchange rates have been applied during the year.

(All amounts in Rupees Millions, unless otherwise stated)

Currency	Period end spot rate			Year-end Spot rate		
	30th September, 2020	30th September, 2019	31st March, 2020	31st March, 2019	31st March, 2018 (Proforma)	
USD	73.80	70.69	75.39	69.17	65.14	
EURO	86.57	77.33	83.05	77.70	80.28	

Sensitivity analysis

The following table details the Company's sensitivity to a 25 basis points increase and decrease in the Rupee against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.25% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

(All amounts in Rupees Millions, unless otherwise stated)

	Six months period ended 30th September, 2020		Six months period ended 30th September, 2019		Year ended 31 st March, 2020		Year ended 31 st March, 2019		Year ended 31 st March, 2018 (Proforma)	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD	1.08	(1.08)	2.46	(2.46)	0.94	(0.94)	1.70	(1.70)	0.12	(0.12)
EURO	2.21	(2.21)	1.34	(1.34)	0.20	(0.20)	0.19	(0.19)	1.17	(1.17)

(D) Cash flow and fair value interest rate risk

- Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

The Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, the Company believes it has manageable risk and achieving satisfactory returns. The Company also has long - term fixed interest bearing assets. However the Company has in place an effective system to manage risk and maximise return.

- Interest rate risk exposure:

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(All amounts in Rupees Millions, unless otherwise stated)

	As at 30th September, 2020	As at 30th September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Fixed-rate instruments					
Financial assets	-	-	-	-	-
Financial liabilities	93.46	120.64	132.05	126.04	52.85
Variable-rate instruments					
Financial assets	-	-	-	-	-
Financial liabilities	122.80	331.48	148.43	484.70	406.49
Total	216.26	452.12	280.48	610.74	459.34

- Interest rate sensitivity

Interest rate sensitivity

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

Price Risk

The Company's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

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(E) Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. However, since manufacturing of pesticides was determined to be an essential industry, we were allowed to resume operations in a phased manner after second week of April 2020 and both of our facilities restarted operations, subject to certain adjustments in working patterns, social distancing measures and additional safety measures. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

42 Capital management

(a) Risk management

The Company's objectives when managing capital are to:

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

The gearing ratios were as follows:

(All amounts in Rupees Millions, unless otherwise stated)

	As at 31st September, 2020	As at 31st September, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018 (Proforma)
Net debt (Total Debt - Cash & cash equivalent - Other Bank Balances - Current Investment)	216.26	452.03	280.39	610.59	459.21
Total equity	3,291.34	2,136.63	2,568.39	1,870.20	1,439.15
Net debt to equity ratio	0.07	0.21	0.11	0.33	0.32

43 First-time adoption of Ind AS

The Restated IndAS Summary Statements for the year ended March31, 2018 have been prepared on Proforma basis in accordance with requirements of SEBI Circular dated March 31, 2016 and Guidance note on Reports in Company Prospectuses issued by ICAI. For the purpose of Proforma Restated Ind AS Summary Statements for the year ended March 31, 2018, the Company has followed the same accounting policy and accounting policy choices (both mandatory exception and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date i.e. April 1, 2018. In preparing these proforma financial statements, the Company has prepared opening Balance sheet as at April 1, 2017, being Proforma date of transition to Ind AS.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions

(i) Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 1st April, 2018 (transition date) (1st April, 2017 proforma transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a leases. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

B. Applicable Mandatory Exceptions

(i) Estimates:

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) Derecognition of financial assets and financial liabilities

Derecognition of financial assets and liabilities as required by Ind AS 109 is applied prospectively i.e. after the transition date.

(iii) Classification and Measurement of Financial Assets:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(iv) Impairment of financial assets

The Company has applied exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without under cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk at April 1, 2018 (April 01, 2017 proforma transition date)

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- (i) A. Reconciliation of Balance sheet as at March 31, 2018 (Proforma)
B. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2018 (proforma)
- (ii) A. Reconciliation of Balance sheet as at March 31, 2019
B. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2019
- (iii) A. Reconciliation of Equity as at April 1, 2017; March 31, 2018 and March 31, 2019
B. Reconciliation of Total Comprehensive Income for the year ended March 31, 2018 and March 31, 2019
- (iv) Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

I.A. Reconciliation of Balance sheet as at March 31, 2018 (Proforma)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	687.86	-	687.86
Right of Use Assets	24.95	-	24.95
Capital work-in-progress	-	-	-
Intangible Assets	2.21	-	2.21
Intangible Assets under development	2.55	-	2.55
Financial Assets	-	-	-
Investments	33.12	(0.10)	33.02
Other Financial Assets	38.47	-	38.47
Other Non-current Assets	0.13	8.89	9.02
Total Non current assets	789.29	8.79	798.08
Current Assets			
Inventories	192.22	-	192.22
Financial Assets	-	-	-
Trade Receivables	1,254.16	(6.37)	1,247.79
Cash and Cash Equivalents	23.52	-	23.52
Other Balances with Banks	11.36	-	11.36
Other Financial Assets	0.23	11.43	11.66
Other Current Assets	118.99	-	118.99
Total Current Assets	1,600.48	5.06	1,605.54
Total Assets	2,389.77	13.85	2,403.62
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	31.83	-	31.83
Other Equity	1,389.06	18.26	1,407.32
Total Equity	1,420.89	18.26	1,439.15
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities	-	-	-
Borrowings	67.82	(0.26)	67.56
Other Financial Liabilities	-	-	-
Provisions	2.47	-	2.47
Deferred Tax Liabilities (Net)	68.66	5.61	74.27
Total Non Current Liabilities	138.95	5.35	144.30
Current Liabilities			
Financial liabilities	-	-	-
Borrowings	325.51	-	325.51
Trade Payables	-	-	-
Total outstanding dues of micro enterprises and small enterprises	15.72	-	15.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	351.65	-	351.65
Other Financial Liabilities	91.88	(0.13)	91.75
Other Current Liabilities	30.47	(1.30)	29.17
Provisions	8.54	(8.33)	0.21
Current Tax Liabilities (Net)	6.16	-	6.16
Total Current Liabilities	829.93	(9.76)	820.17
Total Liabilities	968.88	(4.41)	964.47
Total Equity and Liabilities	2,389.77	13.85	2,403.62

I.B. Reconciliation of Statement of Profit and Loss for the year ended March 2018 (Proforma)

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
Revenue from Operations	2,546.42	(14.42)	2,532.00
Other Income	26.68	(0.11)	26.57
Total Income (I)	2,573.10	(14.53)	2,558.57
EXPENSES			
Cost of Materials Consumed	1,198.45	-	1,198.45
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	46.72	-	46.72
Employee Benefits Expense	123.57	(2.99)	120.58
Finance Costs	38.53	5.10	43.63
Depreciation and Amortisation Expense	34.86	0.18	35.04
Other Expenses	626.07	(13.74)	612.33
Total Expenses (II)	2,068.20	(11.45)	2,056.75
Restated Profit Before Tax (I-II)	504.90	(3.08)	501.82
Tax Expense			
(1) Current Tax	160.00	-	160.00
(2) Deferred Tax	14.76	(1.00)	13.76
(3) Current taxes relating to earlier years	-	-	-
Restated Profit for the period	330.14	(2.08)	328.06
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	(0.80)	(0.80)
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss	-	0.28	0.28
Total Other comprehensive income/(loss) for the year (Net of Tax)	-	(0.52)	(0.52)
Total Comprehensive income for the Year	330.14	(2.60)	327.54

II. A Reconciliation of Balance sheet as at March 31, 2019

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	697.60	-	697.60
Right of Use Assets	-	-	-
Capital work-in-progress	47.46	-	47.46
Intangible Assets	1.99	-	1.99
Intangible Assets under development	2.55	-	2.55
Financial Assets			
Investments	31.32	(0.70)	30.62
Other Financial Assets	37.85	-	37.85
Other Non-current Assets	10.72	9.20	19.92
Total Non current assets	829.49	8.50	837.99
Current Assets			
Inventories	355.28	-	355.28
Financial Assets			
Trade Receivables	1,791.66	(8.53)	1,783.13
Cash and Cash Equivalents	16.30	-	16.30
Other Balances with Banks	12.12	-	12.12
Other Financial Assets	3.23	6.45	9.68
Other Current Assets	157.87	-	157.87
Total Current Assets	2,336.46	(2.08)	2,334.38
Total Assets	3,165.95	6.42	3,172.37
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	31.83	-	31.83
Other Equity	1,826.18	12.19	1,838.37
Total Equity	1,858.01	12.19	1,870.20
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	112.74	(0.10)	112.64
Other Financial Liabilities	-	-	-
Provisions	3.66	-	3.66
Deferred Tax Liabilities (Net)	72.64	3.22	75.86
Total Non Current Liabilities	189.04	3.12	192.16

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Current Liabilities			
Financial liabilities			
Borrowings	437.73	-	437.73
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	17.37	-	17.37
Total outstanding dues of creditors other than micro enterprises and small enterprises	531.59	-	531.59
Other Financial Liabilities	92.50	(0.16)	92.34
Other Current Liabilities	28.82	(1.30)	27.52
Provisions	7.73	(7.43)	0.30
Current Tax Liabilities (Net)	3.16	-	3.16
Total Current Liabilities	1,118.90	(8.89)	1,110.01
Total Liabilities	1,307.94	(5.77)	1,302.17
Total Equity and Liabilities	3,165.95	6.42	3,172.37

II.B. Reconciliation of Statement of Profit and Loss for the year ended March 2019

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
Revenue from Operations	3,415.65	(8.77)	3,406.88
Other Income	53.49	0.05	53.54
Total Income (I)	3,469.14	(8.72)	3,460.42
EXPENSES			
Cost of Materials Consumed	1,945.34	-	1,945.34
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	(74.41)	-	(74.41)
Employee Benefits Expense	134.58	(0.10)	134.48
Finance Costs	50.64	5.12	55.76
Depreciation and Amortisation Expense	39.39	0.19	39.58
Other Expenses	754.63	(5.96)	748.67
Total Expenses (II)	2,850.17	(0.75)	2,849.42
Restated Profit Before Tax (I-II)	618.97	(7.97)	611.00
Tax Expense			
(1) Current Tax	170.00	-	170.00
(3) Current taxes relating to earlier years	-	-	-
(2) Deferred Tax	3.99	(2.20)	1.79
Restated Profit for the period	444.98	(5.77)	439.21
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	(0.70)	(0.70)
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss	-	0.20	0.20
Total Other comprehensive income/(loss) for the year (Net of Tax)	-	(0.50)	(0.50)
Total Comprehensive income for the Year	444.98	(6.27)	438.71

III A Reconciliation of Equity

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018 (Proforma)	As at 1st April, 2017 (Proforma)
Total equity under local GAAP		1,858.01	1,420.89	1,098.60
Adjustments impact: Gain/ (Loss)				
Provision for expected credit loss	B	(8.52)	(6.37)	(5.70)
Fair valuation of financial asset - Investments through FVTPL	A	(0.76)	(0.11)	0.01
Fair valuation of financial asset - Investments through Amortised cost	A	0.05	-	-
Increase in borrowing cost pursuant to application of Effective Interest Rate method	C	0.26	0.38	0.48
Reversal of proposed ordinary dividends payable	F	7.66	7.66	7.66
Provision for Gratuity	D	9.21	8.91	6.78
Provision for Compensated Absences	D	1.06	1.96	1.90
Interest subsidy receivable	H	6.44	11.44	16.44
Deferred tax Impact	E	(3.21)	(5.61)	(6.89)
Total IND AS adjustment		12.19	18.26	20.68
Total equity under Ind AS		1,870.20	1,439.15	1,119.28

III B Reconciliation of Total Comprehensive Income

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2019	Year ended 31st March, 2018 (Proforma)
Profit after tax under local GAAP		444.97	330.14
Adjustments Gain/ (Loss)			
Return on Investment	A	(0.59)	(1.32)
Increase in borrowing cost pursuant to application of Effective Interest Rate method	C	(5.13)	(5.10)
Fair valuation of financial asset - Investments through FVTPL	A	(0.06)	1.20
Fair valuation of financial asset - Investments through Amortised cost	A	0.05	-
Depreciation, amortization and impairment on immovable property		(0.18)	(0.18)
Provision for Gratuity	D	1.00	2.93
Provision for Compensated Absence	D	(0.90)	0.06
Other Expenses - Provision for expected credit loss	B	(2.15)	(0.68)
Deferred tax Impact	E	2.20	1.00
Total Adjustments		(5.76)	(2.08)
Restated Profit after tax as per Ind-AS		439.21	328.06
Other comprehensive income (net of taxes)	G	(0.50)	(0.52)
Total comprehensive income as per Ind AS		438.71	327.54

IV On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended 31st March 2019 or 31st March 2018 (Proforma).

V Notes to reconciliations:

A Investments

Under previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind AS, financial assets representing investments in equity shares of other entities other than subsidiaries, joint venture and associates have been fair valued. The Company has designated such investments as FVTPL investments. Investments which are measured at FVTPL, difference between the instruments fair value and Indian GAAP carrying amount should be recognized under Profit & Loss.

B Trade receivables

Under Previous GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

C Borrowings

Under Previous GAAP, transaction costs in relation to borrowings were charged to Statement of Profit and Loss in the year when incurred. Under Ind AS, borrowings are recognised at fair value at the inception and subsequently at amortised cost with interest recognised based on effective interest rate method.

D Remeasurement of defined benefit liabilities

As required by the provisions of para 120(c) read with 122 and 127 of Ind AS 19 'Employee Benefits', the actuarial gains/losses should be accounted as remeasurements of the net defined benefit liability\ (asset). The remeasurements will be recognized in other comprehensive income and shall not be reclassified to profit or loss in subsequent period but may be transferred within equity.

E Deferred Tax

Under Previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

F Proposed dividend including dividend distribution tax

Under the previous GAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividends including dividend distribution tax was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax of Rs. 6.37 mn as at 31st March, 2019 (Rs.6.37 mn as at 1st April, 2018) included under provisions has been derecognised.

G Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in the year should be included in the Statement of Profit and Loss for the year, unless a standard requires or permits otherwise. Items of income or expense that are not recognised in the Statement of Profit and Loss but are shown in statement of profit and loss as "Other Comprehensive Income" includes remeasurement of defined benefit plans. The concept of Other Comprehensive Income did not exist under previous GAAP.

H Interest Subsidy Receivable

Under the previous GAAP, the incentives from Government was accounted for on receipt basis. Under IND AS, the same has been accounted for on accrual basis for which the income has been accounted for accordingly at transition date.

INDIA PESTICIDES LIMITED
Notes to restated Ind AS Summary Statements

Note 44

Part A: Statement of Restatement Adjustments to Audited Financial Statements

Reconciliation between audited profit and restated profit

(All amounts in Rupees Millions, unless otherwise stated)

	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (Proforma)
Profit after tax (as per audited financial statements)	724.97	269.01	707.99	444.97	330.13
Adjustment for conversion from IGAAP to Ind AS/ Proforma Ind AS *	-	-	-	(5.76)	(2.07)
Restated profit after tax	724.97	269.01	707.99	439.21	328.06

Reconciliation between total audited equity and total restated equity

(All amounts in Rupees Millions, unless otherwise stated)

	Six months period ended 30th September, 2020	Six months period ended 30th September, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018 (Proforma)
Total Equity as per audited financial statements	3,291.34	2,136.63	2,568.39	1,858.01	1,420.89
Adjustment for conversion from IGAAP to Ind AS/ Proforma Ind AS*	-	-	-	12.19	18.26
Total Equity as Restated Ind AS Summary Statement of Assets and Liabilities	3,291.34	2,136.63	2,568.39	1,870.20	1,439.15

* Adjustment for conversion from IGAAP to Ind AS

The audited financial statements of the Company as at and for the year ended March 31, 2019 and March 31, 2018 were prepared in accordance with accounting principals generally accepted in India including the Companies Accounting Standards Rules, 2006 (as amended) specified under Section 133 of the Act, Companies (Accounts) Rules, 2014 (as amended). The same have been converted into Ind AS to confirm with the accounting policies generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, Read with the Companies (Indian Accounting Standards) Rule, 2015, as amended. For further details refer note no 43 for Ind As Adjustments of total Comprehensive income for the year ended March 31, 2019 and March 31, 2018 (Proforma) and for Equity as at March 31, 2019, March 31, 2018 (Proforma) and April 01, 2017 (Proforma)

Part B: Material Regrouping

Appropriate regroupings have been made in the Restated Ind AS Summary Statement of Assets and Liabilities, Restated Ind AS Summary Statement of Profit and Loss and Restated Ind AS Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the Six months period ended September 30, 2020 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

For and on behalf of Board of Directors of
India Pesticides Limited

A. S .Agarwal
 Director
 DIN: 00777581

R. S. Sharma
 Director
 DIN: 02487797

S. P. Gupta
 Chief Financial Officer

Ajeet Pandey
 Company Secretary

Place : Lucknow
 Dated: February 8, 2021

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Post bonus issue and share split

Particulars	As at and for the six months ended September 30, 2020	As at and for the six months ended September 30, 2019	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
Restated profit for the year/ period (A) (Rs. in million)	724.97	269.01	707.99	439.21	328.06
Weighted average number of equity shares in calculating basic EPS (B)	111,413,750	111,413,750	111,413,750	111,413,750	111,413,750
Weighted average number of equity shares in calculating diluted EPS (C)	111,413,750	111,413,750	111,413,750	111,413,750	111,413,750
Basic Earnings per share (in Rs.) (D = A/B)*	6.51	2.41	6.35	3.94	2.94
Diluted Earnings per share (in Rs.) (E = A/C)*	6.51	2.41	6.35	3.94	2.94
Total Equity (A) (Rs. in million)	3,291.34	2,136.63	2,568.39	1,870.20	1,439.15
Restated Profit for the year/ period (B) (Rs. in million)	724.97	269.01	707.99	439.21	328.06
Return on net worth (C = B/A) (#)	22.03%	12.59%	27.57%	23.48%	22.80%
Total Equity (A) (Rs. in million)	3,291.34	2,136.63	2,568.39	1,870.20	1,439.15
Weighted average number of equity shares in calculating basic EPS (B)	111,413,750	111,413,750	111,413,750	111,413,750	111,413,750
Weighted average number of equity shares in calculating diluted EPS (C)	111,413,750	111,413,750	111,413,750	111,413,750	111,413,750
Net Asset Value per Equity Share (basic)(D = A/B) (in Rs.) *	29.54	19.18	23.05	16.79	12.92
Net Asset Value per Equity Share (diluted) (E = A/C) (in Rs.) *	29.54	19.18	23.05	16.79	12.92
EBITDA (Rs. in million)	1,027.04	415.17	1,036.56	706.34	580.49
EBITDA Margin (%)	30.76%	18.89%	21.61%	20.73%	22.93%

*Numbers for the six months ended September 30, 2020 and September 30, 2019 have not been annualized.

The return on net worth % for the six months ended September 30, 2020 and September 30, 2019 have not been annualised

The ratios have been computed as under:

- (i) Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

Basic earnings per share is calculated as Restated profit for the year/period attributable to equity shareholders divided by weighted average number of equity shares in calculating basic EPS.

Diluted earnings per share is calculated as Restated profit for the year/period attributable to equity shareholders divided by Weighted average number of diluted equity shares in calculating diluted EPS.

- (ii) 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 weighted average number of equity shares outstanding during the period is adjusted for bonus issue and share split.

As per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the Company has increased its existing authorised share capital to Rs. 150,000,000 consisting of 1,500,000 equity shares of face value of Rs.100 each. Further, the existing equity shares were split into 150,000,000 equity shares of face value of Rs.1 each.

Pursuant to above resolution the existing issued, paid up and subscribed share capital of the Company stands subdivided to 3,18,32,500 equity shares of Rs. 1 each.

As per recommendation of the Board of Directors dated 21st December, 2020 and approval of the shareholders dated 28th December, 2020, the Company has issued 79,581,250 bonus equity shares of face value of Rs. 1/- each in ratio of 2.5:1 (i.e. 5 (Five) Bonus Shares for every 2 (Two) Equity Share. Consequently the issued, subscribed and paid-up share capital has increased to Rs. 111.41mn comprising of 11,14,13,750 equity shares of face value of Rs.1/- each.

- (iii) Return on Net Worth ratio: Restated Profit for the year/period attributable to equity shareholders of the company divided by the Total Equity of the Company at the end of the year/period.

- (iv) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous

expenditure not written off, as per the restated financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(v) EBITDA is calculated as restated profit before tax, plus depreciation, amortization and impairment expenses and finance costs, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

(vi) Net asset value per Equity share is calculated as Restated net worth at the end of the period/year divided by the weighted average number of equity shares.

The above ratios have been computed on the basis of the Restated Financial Statements.

Pre bonus issue and share split

Particulars	As at and for the six months ended September 30, 2020	As at and for the six months ended September 30, 2019	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
Restated profit for the year/ period (A) (₹ in million)	724.97	269.01	707.99	439.21	328.06
Weighted average number of equity shares in calculating basic EPS (B)	3,18,325	3,18,325	3,18,325	3,18,325	3,18,325
Weighted average number of equity shares in calculating diluted EPS (C)	3,18,325	3,18,325	3,18,325	3,18,325	3,18,325
Basic Earnings per share (in Rs.) (D = A/B) *	2,277.46	845.07	2,224.10	1,379.76	1,030.59
Diluted Earnings per share (in Rs.) (E = A/C) *	2,277.46	845.07	2,224.10	1,379.76	1,030.59
Total Equity (A) (Rs. in million)	3,291.34	2,136.63	2,568.39	1,870.20	1,439.15
Restated Profit for the year/ period (B) (Rs. in million)	724.97	269.01	707.99	439.21	328.06
Return on net worth (C = B/A) #	22.03%	12.59%	27.57%	23.48%	22.80%
Total Equity (A) (₹ in million)	3,291.34	2,136.63	2,568.39	1,870.20	1,439.15
Weighted average number of equity shares in calculating basic EPS (B)	318,325	318,325	318,325	318,325	318,325
Weighted average number of equity shares in calculating diluted EPS (C)	318,325	318,325	318,325	318,325	318,325
Net Asset Value per Equity Share (basic)(D = A/B) (in Rs.) *	10,339.57	6,712.09	8,068.46	5,875.13	4,521.00
Net Asset Value per Equity Share (diluted) (E = A/C) (in Rs.) *	10,339.57	6,712.09	8,068.46	5,875.13	4,521.00
EBITDA (Rs. in million)	1,027.04	415.17	1,036.56	706.34	580.49
EBITDA Margin (%)	30.76%	18.89%	21.61%	20.73%	22.93%

*Numbers for the six months ended September 30, 2020 and September 30, 2019 have not been annualized.

The return on net worth % for the six months ended September 30, 2020 and September 30, 2019 have not been annualised

The ratios have been computed as under:

(i) Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

Basic earnings per share is calculated as Restated profit for the year/period attributable to equity shareholders divided by weighted average number of equity shares in calculating basic EPS.

Diluted earnings per share is calculated as Restated profit for the year/period attributable to equity shareholders divided by Weighted average number of diluted equity shares in calculating diluted EPS.

(ii) 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.

(iii) Return on Net Worth ratio: Restated Profit for the year/period attributable to equity shareholders of the company divided by the Total Equity of the Company at the end of the year/period.

(iv) EBITDA is calculated as restated profit before tax, plus depreciation, amortization and impairment expenses and finance costs, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

(v) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(vi) *Net asset value per Equity share is calculated as Restated net worth at the end of the period/year divided by the weighted average number of equity shares.*

The above ratios have been computed on the basis of the Restated Financial Statements.

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 (collectively, the “**Audited Financial Statements**”) are available on our website at <http://www.indiapesticideslimited.com/financial-filings/>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation 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 and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 ‘Related Party Disclosures’ for the six month periods ended September 30, 2020 and September 30, 2019, and Fiscals 2020, 2019 and 2018 (proforma), and as reported in the Restated Financial Information, see “*Financial Statements – Related Party Disclosures as per IND AS*” on page 213.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Information on page 179.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 25. Also read "Risk Factors" and "Significant Factors Affecting our Results of Operations" on pages 27 and 237, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the six months ended September 30, 2019 and 2020 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with 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, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Statements" on page 179.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. In this section, unless the context otherwise requires, any reference to "our Company", "we", "us" or "our" is a reference to India Pesticides Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Independent Market Report on Agrochemicals & Pharmaceutical Intermediates" dated February 2021 (the "F&S Report"), prepared and issued by Frost & Sullivan, commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

OVERVIEW

We are an R&D driven agro-chemical manufacturer of Technicals with a growing Formulations business. We were among the fastest growing agro-chemical companies in India in terms of volume in Fiscal 2020 (Source: F&S Report). We are also the sole Indian manufacturer and among top five manufacturers globally for several Technicals, such as, Folpet and Thiocarbamate Herbicide (Source: F&S Report). Since commencing our operations in 1984, we have diversified into manufacturing herbicide and fungicide Technicals and active pharmaceutical ingredients ("APIs"). We also manufacture herbicide, insecticide and fungicide Formulations.

We have a strategic focus on R&D and our R&D capabilities include two well-equipped in-house laboratories registered with the DSIR. Our efforts are led by a dedicated R&D team that comprises PhDs, masters graduates in chemistry and a biotechnological engineer. Our R&D efforts have led to development of processes to manufacture three generic off-patent Technicals since Fiscal 2018 and we are currently in the process of developing processes for certain Technicals, including two fungicides, two herbicides, two insecticides and two intermediates.

Our Technicals are primarily exported and our revenue generated from exports contributed to 62.12% and 65.73% of our revenue from operations in Fiscal 2020 and the six months ended September 30, 2020, respectively. As of September 30, 2020, our Technicals are exported to over 20 countries including Australia and other countries in Europe, Asia and Africa. Our Formulations products are primarily sold domestically through our extensive network of dealers and distributors. We have a diverse customer base that includes crop protection product manufacturing companies, such as, Syngenta Asia Pacific Pte. Ltd, UPL Limited, ASCENZA AGRO, S.A., Conquest Crop Protection Pty Ltd, Sharda Cropchem Limited and Stotras Pty Ltd. We have established relationships with our customers many of whom have been associated with our Company for over 10 years.

Our core focus is on quality and sustainability and none of our key Technicals are classified as 'red triangle' or highly toxic products. As of the date of this Draft Red Herring Prospectus, we have obtained registrations and license to manufacture from the CIBRC and the Department of Agriculture, Uttar Pradesh for 22 agro-chemical Technicals and 124 Formulations for sale in India and 27 agro-chemical Technicals and 34 Formulations for export. For our APIs, as of the date of this Draft Red Herring Prospectus, we have obtained a license for manufacturing two drugs for sale at Dewa Road from the Drug Licensing and Controlling Authority under the Drugs and Cosmetics Rules, 1945.

We have two distinct operating verticals, namely, (i) Technicals; and (ii) Formulations.

Technicals: We manufacture generic Technicals that are used in the manufacture of fungicides and herbicides as well as APIs with applications in dermatological products.

Certain key fungicide Technicals we manufacture include: (i) Folpet, used to manufacture fungicides that control fungal growth at vineyards, cereals, crops and biocide in paints; and (ii) Cymoxanil, used to manufacture fungicides that control downy mildews of grapes, potatoes, vegetables and several other crops. Major herbicide Technicals we manufacture include Thiocarbamate herbicides that have application in field crops, such as, wheat and rice, and are used globally. The APIs we manufacture have anti-scabies and anti-fungal applications.

In Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, revenues from our Technicals segment amounted to ₹ 1,794.63 million, ₹ 2,566.59 million, ₹ 3,832.81 million, ₹ 2,556.60 million, respectively, which constituted 70.94%, 75.43%, 80.19% and 77.52%, respectively, of our revenue from sale of products.

Formulations: We manufacture and sell various formulations of insecticides, fungicide and herbicides, growth regulators and Acaricides, which are ready-to-use products. As of September 30, 2020, we manufacture over 30 Formulations that include *Takatvar, IPL Ziram-27, IPL Dollar, IPL Soldier and IPL Guru*.

In Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020, revenues from our Formulations segment amounted to ₹ 735.28 million, ₹ 836.01 million, ₹ 946.77 million, ₹ 741.31 million, respectively, which constituted 29.06%, 24.57%, 19.81% and 22.48%, respectively, of our revenue from sale of products.

We currently have two manufacturing facilities located at UPSIDC Industrial Area at Dewa Road, Lucknow and Sandila, Hardoi in Uttar Pradesh, India that are spread across over 25 acres. As of September 30, 2020, our aggregate installed capacity of our manufacturing facilities for agro-chemical Technicals was 19,500 MT and Formulations was 6,500 MT. Our manufacturing facilities are equipped with modern plant and machinery capable of producing quality Technicals and Formulations. Our manufacturing facilities at Dewa Road are ISO 9001: 2015, ISO 14001:2015, ISO 10002: 2018, and ISO 45001: 2018 (OHSAS) certified and at Sandila are ISO 9001: 2015, ISO 14001: 2015, ISO 10002: 2018 and OHSAS 18001: 2007 certified for quality management system, environment management system, customer satisfaction and complaint management system, and occupational health and safety management system, respectively. Each of our manufacturing facilities has the ability to manufacture a wide range of products, which provides us with the flexibility to cater to changing demands in the market, thereby reducing dependence on any one major product category. We also have pilot facilities to test commercialization of our products. Our facilities are periodically audited and appraised by our customers including various multinational corporations. We have also commenced construction of two manufacturing units at our Sandila facility, which are proposed to be used for herbicide Technicals.

Our Promoter, Chairman and Non-Executive Director, Anand Swarup Agarwal has over 35 years of experience in the manufacturing sector. Our senior management team that includes, Dheeraj Kumar Jain, Chief Executive Officer and Satya Prakash Gupta, Chief Financial Officer have significant experience and have also been associated with our Company for over 20 years. We have a strong employee base comprising of 647 employees, as of September 30, 2020 with weighted average attrition rate of 6.19% and 6.07% (based on age demographics) in Fiscal 2020 and the six months ended September 30, 2020, respectively.

Our revenue from operations for Fiscals 2018, 2019, 2020 and the six months ended September 30, 2020 was ₹ 2,532.00 million, ₹ 3,406.88 million, ₹ 4,796.27 million, ₹ 3,338.44 million, respectively. Our EBITDA for Fiscal 2018, 2019, 2020 and the six months ended September 30, 2020 was ₹ 580.49 million, ₹ 706.34 million, ₹ 1,036.56 million, ₹ 1,027.04 million, respectively while our EBITDA margin was 22.93%, 20.73%, 21.61% and 30.76%, respectively, for similar periods. Our Return on Equity for Fiscals 2018, 2019 and 2020 and the six months ended September 30, 2020, was 22.76%, 23.46%, 27.48% and 43.93%, respectively. Our Profit After Tax was ₹ 327.54 million, ₹ 438.71 million, ₹ 705.85 million and ₹ 722.95 million for Fiscal 2018, 2019, 2020 and the six months ended September 30, 2020, respectively, while our Profit After Tax margin was 12.80%, 12.68%, 14.41% and 21.44%, respectively for similar periods.

On account of the COVID-19 pandemic, India had imposed a nationwide lockdown on March 24, 2020. However, since manufacturing of pesticides was determined to be an essential industry pursuant to the Ministry of Home Affairs order dated March 27, 2020, we were allowed to resume operations in a phased manner. Accordingly, both of our facilities restarted operations in a phased manner after April 15, 2020, subject to certain adjustments in working patterns, social distancing measures and additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. Despite of the impact of the COVID-19 pandemic, our revenue from operations increased by 51.92% from ₹ 2,197.55 million in the six months ended September 30, 2019 to ₹ 3,338.44 million in the six months ended September 30, 2020. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures about Market Risk – Risk due to outbreak of the COVID-19 pandemic*” on page 258.

PRESENTATION OF FINANCIAL INFORMATION

Our restated Ind AS summary statements of assets and liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), and the restated Ind AS summary statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the six months ended September 30, 2020 and September 30, 2019, and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), together with the summary

of significant accounting policies and explanatory information thereon (collectively, the “**Restated Financial Information**”), and has been derived from our audited interim financial statements as at and for the six months ended September 30, 2020 and September 30, 2019 each prepared in accordance with Ind AS, and our audited financial statements as at and for the financial year ended March 31, 2020 prepared in accordance with Ind AS, and our audited financial statements as at and for the years ended March 31, 2019 and March 31, 2018 each prepared in accordance with Indian GAAP, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended.

The audited financial statements as at and for the year ended March 31, 2019 were prepared in accordance with Indian GAAP and our Company has adjusted the financial information for the year ended March 31, 2019, using recognition and measurement principles of Ind AS, and included such adjusted financial information as comparative financial information in the financial statements for the year ended March 31, 2020.

The Restated Financial Information for the year ended March 31, 2018 have been prepared on proforma basis. For the purpose of proforma Ind AS financial statements for the year ended March 31, 2018, our Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, i.e. April 1, 2018. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the proforma summary statements for the year ended March 31, 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2018). In preparing these proforma financial statements, our Company has prepared opening balance sheet as at April 1, 2017, being proforma date of transition to Ind AS.

For further information, see “*Financial Statements – Note 1.1 – Basis of Preparation and Transition to Ind AS*” on page 188.

Transition from Indian GAAP to Ind AS Financial Statements

The financial statements for the year ended March 31, 2020, are the first financial statements of our Company that have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, our Company prepared its financial statements in accordance with Indian GAAP. Accordingly, our Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, our Company’s opening balance sheet was prepared as at April 1, 2018, our Company’s date of transition to Ind AS. In preparing the proforma Ind AS financial statements for the year ended March 31, 2018, our Company has prepared opening balance sheet as at April 1, 2017, being proforma date of transition to Ind AS.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Optional Exemptions

Deemed Cost: Our Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of April 1, 2018 (transition date) (April 1, 2017 - proforma transition date) measured as per the Indian GAAP and use that carrying value as its deemed cost as of the transition date

Leases: Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However, our Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

Applicable Mandatory Exceptions

Estimates: On assessment of the estimates made under the Indian GAAP financial statements, our Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Indian GAAP are made by our Company for the relevant reporting dates reflecting conditions existing as at that date.

Derecognition of financial assets and financial liabilities: Derecognition of financial assets and liabilities as required by Ind AS 109 is applied prospectively, i.e. after the transition date.

Classification and Measurement of Financial Assets: Our Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets: Our Company has applied exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without under cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk at April 1, 2018 (April 1, 2017 - proforma transition date).

For further information, see “Financial Statements – Note 43 – First-time adoption of Ind AS” on page 225.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Changes in the global and Indian agro-chemicals industry

The global agro-chemicals sector is witnessing increasing demand for crop protection chemicals, being the backbone of the agriculture segment globally. The global agro-chemicals market was valued at US\$ 62.5 billion in 2019 and is forecasted to reach US\$ 86 billion by 2024 growing at a CAGR of 6.6%. The growing population across the world, accompanied by rising affluence, is seeing a shift in consumption patterns. There is a need to not just increase production to meet demand but also to ensure that the nutritional needs of an increasingly affluent population are met. The primary demand drivers for the crop protection chemicals market are increasing demand for food security in order to meet needs of growing population. Due to instances across the world of increased pest attacks, crop protection chemicals are expected to see rapid growth. Global trends suggest that herbicides and fungicides are expected to record higher growth across the globe. Numerous factors, such as, farm labor shortage, contribute to this higher growth. Companies like our Company will benefit due to their focused product portfolio towards herbicides and fungicides, meeting global trends. (Source: F&S Report)

India crop protection chemicals exports have grown at a CAGR of approximately 9% between 2015 and 2019. Exports are projected to grow to almost 55% in 2024 (by value). Indian crop protection chemicals market is valued at US\$ 2.1 billion which is anticipated to grow at 4% in the next five years to US\$ 2.6 billion by 2024. India has one of the lowest per capita consumption of crop protection chemicals per hectare. This consumption per hectare is significantly higher in developed nations like United States or Japan. There is tremendous scope of growth for the crop protection chemicals in India, ramping agricultural productivity and compensating the shortage of farm labour by extensive use of herbicides, etc. (Source: F&S Report) We believe that our diversified product portfolio of herbicide and fungicide Technicals will allow us to cater to the growing demand for such crop protection products in India. In addition, given that our primary focus is to manufacture agro-chemical Technicals that are aimed at exports, we believe that we are well positioned to capitalize on the potential demand for agro-chemicals globally.

Research and development

Our business depends to a large extent on our R&D capabilities. The R&D process is both time consuming and costly, and involves a high degree of business risk. Our business, financial and operating results have been and will be affected by our ability to continue to develop and commercialize new agro-chemical Technicals. We have dedicated in-house R&D laboratories at each of our manufacturing facilities that are registered with the DSIR. Our laboratories are equipped with sophisticated equipment and our efforts are led by a dedicated R&D team that comprises PhDs, masters graduates in chemistry and a biotechnological engineer.

We are committed to investing time, funds and other resources towards our R&D capabilities. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, our expenditure towards R&D was ₹ 14.76 million, ₹ 14.61 million, ₹ 16.32 million and ₹ 4.71 million, respectively. Our R&D places significant emphasis on identification of appropriate complex Technicals that are suitable for commercialization, improving our production processes and the quality and purity of our present products and manufacturing new off-patent product. We also focus on determining the optimal production process for the Technicals we manufacture and the reduction of energy consumption. We continuously seek to innovate to develop alternate production processes for our existing Technicals and for Technicals that are expected to go off-patent in the near future. Our R&D enables us to identify products that are higher margin products and that require specialized manufacturing and handling capabilities.

However, our R&D efforts may not result in new technologies or products being developed on a timely basis or meet the needs of our customers as effectively as competitive offerings. Further, our ongoing investments in R&D for new products and processes may result in higher costs without a proportionate increase in revenues. In addition, once we develop our processes, obtaining relevant regulatory approvals and registrations is an important element to commercialize the products, which may require additional expenses. We must also adapt to rapid changes in our industry due to technological advances and scientific discoveries. If our existing products become obsolete, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected. Although we strive to keep our technology, facilities, plants and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete in the future. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff could be significant and could adversely affect our profitability.

Relationship with key customers

We have historically derived, and may continue to derive, a significant portion of our income from our top 10 customers. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, our top 10 customers represented 43.80%, 54.35%, 58.59% and 69.27%, respectively, of our total revenues from operations in such periods. While our largest customer represented 22.50%, 29.63%, 16.75% and 25.20%, of our total revenues from operations in Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, respectively. Any reduction in orders from our top ten customers would adversely

affect our income. The demand from our key customers, in particular our top 10 customers, determines our revenue levels and results of operations, and our sales are directly affected by the production and inventory levels of our customers. Our customers in turn are dependent on demand from their customers who are the end users of finished products, as well as general trends in the global agro-chemicals industry.

Over the years, we have developed strong relationships with a number of multinational corporations through which we have been able to expand our Technicals product offerings and also our geographic reach. Our business depends on the continuity of our arrangements with these multinational customers. Our sales to such customers are typically conducted on the basis of purchase orders that they place with us from time to time. Our arrangements with customers require our customers to include the quantity and price while certain agreements themselves include the purchase prices and minimum purchase quantities for the products during the tenure of the agreement.

Foreign currency fluctuation

Our customer base currently comprises a number of multinational, regional and local companies, such as, ASCENZA AGRO, S.A., Conquest Crop Protection Pty Ltd, Sharda Cropchem Limited, Syngenta Asia Pacific Pte. Ltd., Stotras Pty Ltd and UPL Limited. In Fiscal 2020 and the six months ended September 30, 2020, revenue from operations from exports accounted for 62.12% and 65.73%, respectively, of our total revenue from operations in such periods. We have historically derived a significant portion of our revenues from operations from a limited number of markets, namely, Australia, Europe and Africa. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, we derived 1.24%, 10.19%, 30.48% and 23.55%, respectively, of our revenues from sale of product from business in Australia, 21.20%, 22.88%, 21.24% and 12.41%, respectively, of our revenues from sale of products from business in Europe, and 72.38%, 60.33%, 43.54% and 59.88%, respectively, of our revenues from sale of products from business in Asia. As a result, our results of operations are influenced by exchange rate fluctuations between foreign currencies of the markets in which we sell our products and the Indian Rupee. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations. A substantial majority of our sales are denominated in foreign currencies, principally U.S. dollars and Euro, and to an extent on other currencies applicable in the markets in which our products are sold.

Some of our expenditures, including raw materials costs and freight costs are also denominated in foreign currencies. As a consequence, we are exposed to currency rate fluctuations between the Indian Rupee and US dollars and other foreign currencies. We are exposed to exchange rate risk primarily due to payables in respect of our imported raw material and from receivables in respect of our exports, which are mainly denominated in foreign currencies. Any fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations. Since we export our products and import some of our raw materials it helps us to naturally hedge our foreign currency exposure, however a devaluation of any of the foreign currencies against the Indian Rupee may result in reduction of our margins. Any gains or losses arising on account of differences in foreign exchange rates on settlement and translation of monetary assets and liabilities are recognized in the statement of profit and loss. In addition, we do not undertake any hedging measures and do not have any foreign currency forward contracts in place, and as such, the impact of foreign exchange fluctuation on our operations may get exacerbated. If we are unable to effectively manage our foreign exchange risk, it could materially affect our business, financial condition and results of operations.

Government approvals, licenses, regulations and policies

We are required to obtain and maintain various statutory and regulatory permits, approvals, licenses and registrations to operate our business, certain of which may have expired and have been applied for and certain of which are due to expire in the near future. In particular, we are engaged in the manufacture of Technicals and Formulations and our products are required to obtain regulatory pre-approval. We provide each of our agro-chemical Technicals and Formulations to the CIBRC for their approval where they undertake testing to check the composition and purity profile of our agro-chemical Technicals and Formulations before granting registrations. The final approval from CIBRC may take from two months to one year depending on the category of the requested registration (*Source: F&S Report*). This registration process increases our cost of developing new products and does not guarantee that we will be successful in selling these products after their registration is granted. In addition, we obtain licenses from the Department of Agriculture, Uttar Pradesh for our agro-chemical Technicals and Formulations. Further, for our APIs, we have obtained a license from the Drug Licensing and Controlling Authority under the Drugs and Cosmetics Rules, 1945.

Government regulations and policies of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Further, the Pesticide Management Bill, 2020, which is proposed as the successor to the Insecticides Act contains provisions for registration of pesticides and the evaluation criteria for such registration, regulation of advertisements by manufacturers and compensation for loss due to use of low quality pesticides, amongst other provisions. Any such changes in regulations or government policies including the withdrawal of or changes in incentives and subsidies provided to farmers, export restrictions on crops, adverse changes in commodity prices or minimum support prices could affect the ability of farmers to spend on crop protection products, which in turn could adversely affect our business and results of operations. In addition, all of our manufacturing facilities are also located on land leased from the UPSIDC, the terms of which are governed

by UPSIDC's byelaws. These regulations and policies and the tax regimes, including tax incentives, to which we are subject could change at any time, with little or no warning or time for us to prepare.

We are also subject to laws and government regulations, including in relation to safety, health, environmental protection and labour including the Environmental Protection Act, 1986, as amended, the Air Act, the Water Act, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended, and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India, and various statutory and regulatory authorities and agencies in India. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. In the past, the Government has imposed various restrictions and bans on certain kinds of chemicals that may be used for manufacturing processes. Further, in the event any of the countries where we export our products imposes additional restrictions on the type of substances that are used in the manufacture of our products, our results of operations and financial condition may be adversely impacted. Further, any changes in the regulations and policies in the end-use sectors of our products can also adversely impact our results of operations.

Further, all our manufacturing facilities are located in Uttar Pradesh and any significant changes in the policies of the state or local government or the Government of India, could require us to incur significant capital expenditure and change our business strategy.

Fluctuations in the price of raw materials

Our cost of materials consumed constitutes the largest component of our cost structure. For Fiscals 2018, 2019 and 2020 and the six months ended September 30, 2020, our cost of materials consumed was ₹ 1,198.45 million, ₹ 1,945.34 million, ₹ 2,566.06 million and ₹ 1,697.41 million, or 47.33%, 57.10%, 53.50% and 50.84% of our revenue from operations, respectively. We depend on third-party vendors and suppliers for our supply of raw materials. We depend on external suppliers for the raw materials required for production and typically purchase raw materials on a purchase order basis and place such orders with them in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. We also import a certain amount of raw materials from international suppliers, and as a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins.

In the event of fluctuations in the cost of raw materials, we may not be able to effectively pass on all increases in the cost of raw materials to our customers, which may affect our margins, sales, results of operations and cash flows. Any reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our business operations.

Capacity utilization and operating efficiencies

As of September 30, 2020, our aggregate installed capacity of our manufacturing facilities for agro-chemical Technicals was 19,500 MT and Formulations was 6,500 MT. Higher capacity utilization results in greater production volumes and higher sales, and allows us to spread our fixed costs over a higher quantity of products sold, thereby increasing our profit margins. Our aggregate capacity utilization for agro-chemical Technicals was 88%, 80%, 76% and 77%, respectively, while for Formulations was 52%, 59%, 58% and 71%, respectively, in Fiscals 2018, 2019 and 2020 and in the six months ended September 30, 2020. For further information, see “Our Business - Capacity and Capacity Utilization” on page 145. Our capacity utilization is affected by the product requirements of, and procurement practice followed by, our customers. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. We continuously focus on improving our operational efficiencies and reducing operating costs in order to improve our results of operations. We also focus on continuously upgrading the quality and functionality of our products and manufacturing processes addressing specific customer requirements and market segments and to improve operational efficiencies.

Competition

India crop protection market is highly fragmented with presence of more than 150 active ingredient manufacturers, over 1,000 formulators and over 200,000 companies engaged in distribution. The leading players in crop protection chemicals market are Syngenta Chemicals, BASF, Dow Chemicals, Monsanto, FMC, Nufarm Limited, Adama Limited among others. (Source: F&S

Report). Competition in our business is based on pricing, relationships with customers, product quality, customization and innovation. We face pricing pressures from multinational companies that are able to produce Technicals and Formulations at competitive costs and consequently, supply their products at cheaper prices. Certain of our competitors in the crop protection chemicals segment may have greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Accordingly, we may not be able to compete effectively with our competitors across our product portfolio, which may have an adverse impact on our business, financial condition, results of operations and future prospects.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Critical Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

Our Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of our Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by our management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by our management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Right-of-use assets and lease liability

Our Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

Summary of Significant Accounting Policies

Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which our Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by our Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Export Incentive:

Income from export incentives such as duty drawback and MEIS are recognised on an accrual basis to the extent the ultimate realisation is reasonably certain.

Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to our Company, and the amount of the dividend can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, our Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

Property, plant and equipment***Measurement at recognition:***

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred

Capital work in progress and capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation and Amortization

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are amortized over the period of the lease.

The Estimated useful lives of the assets are as follows:

Asset Class	Useful Life
Factory Building	30 years
Plant & Machinery	20 years
R&D Equipment	20 years
Electrical Installations and Equipment	10 years
Furniture & Fixtures	10 years
Vehicles	8 years

Office Equipment	5 years
Computers	3 years

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Intangible Assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Asset Class	Useful Life
Software	5 years
Know How	10 years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Inventories

Inventories encompass goods consumed in production (raw materials, packing materials and stores and spare parts), goods in the production process for sale (work-in-progress) and goods held for sale in the ordinary course of business (finished goods and stock-in-trade). Inventories are recognised at the lower of their cost of acquisition calculated by the weighted average method and at their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses necessary to make the sale.

Financial Instruments

Financial Assets

Financial assets are recognised when our Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- **amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. Again or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in Other Income using the effective interest rate method.

- fair value through profit and loss (FVTPL)

Assets shall be measured at FVPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in Other Income.

- fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The movements in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in Other Income using the effective interest rate method.

Financial assets are not reclassified subsequent to their recognition, except if and in the period our Company changes its business model for managing financial assets.

Derecognition

Financial assets are derecognised when contractual rights to receive cash flows from the financial assets expire or the financial assets are transferred together with all material risks and benefits.

Financial Liabilities

Financial liabilities are initially recognised at fair value if our Company has a contractual obligation to transfer cash or other financial assets to another party. Borrowings and payables are recognised net of directly attributable transaction costs. In subsequent periods, such liabilities are measured at amortised cost using the effective interest method.

Derecognition

Financial liabilities are derecognised when the contractual obligation is discharged or cancelled, or has expired.

Impairment of Financial Assets

Our Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. Our Company applies Expected Credit Loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost. Our Company follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss on trade receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial recognition. If the reasons for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortised cost of acquisition.

Fair Value Measurement

Our Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which our Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If our Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, our Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

-Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

When quoted price in active market for an instrument is available, our Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted prices in an active market, then our Company uses a valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Our Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then our Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Investments

Financial assets are recognised and measured in accordance with Ind AS 109 - Financial Instruments. Accordingly, our Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVPL), transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVPL. The classification depends on our Company's business model for managing the financial assets and the contractual terms of the cash flows.

Investment in Equity Instruments are classified as FVPL, unless our Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investment in equity instruments which are not held for trading.

Foreign Currency Transactions

The Restated Ind AS Summary Statements are presented in Indian Rupee, which is our Company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which our Company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs

Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Lease accounting**Assets taken on lease:**

Our Company mainly has lease arrangements for land.

Our Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgment about whether (i) the contract involves the use of an identified asset, (ii) our Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) our Company has the right to direct the use of the asset.

Our Company recognises a right-of-use asset (“**ROU**”) and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term, *i.e* between 74 to 90 years.

If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that our Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, our Company uses an incremental borrowing rate specific to our Company, term and currency of the contract. Generally, our Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which our Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

Our Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

For further information, see “*Financial Statements – Note 1.4: Summary of Significant Accounting Policies*” on page 189.

CHANGES IN ACCOUNTING POLICIES

The financial statements for the year ended March 31, 2020, were the first financial statements of our Company that have been prepared in accordance with Ind AS. Other than as required for the preparation of our Restated Financial Information, there have been no changes in our accounting policies during Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2019 and September 30, 2020.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**Income**

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) sale of products in the home market (net of returns) and exports, and (ii) other operating revenue comprising export incentives.

Other Income

Other income includes interest income from financial assets at amortized cost, i.e. on bank deposits and other interest, and dividend income; other non-operating income (net of expenses directly attributable to such income) comprising fair value of investment through amortized cost and investments at fair value through profit and loss, and miscellaneous income, comprising, amongst others, gain on sale of movable assets and balances written back; and other gains and losses, comprising net gain on foreign currency transactions and translation, profit from sale of investments and profit on sale of property, plant and equipment.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) changes in inventories of finished goods and work-in-progress; (iii) employee benefits expense; (iv) finance costs; (vi) depreciation and amortisation expense; and (vii) other expenses.

Costs of Materials Consumed

Costs of materials consumed comprises cost of raw materials, packing material and other costs directly attributable to transport the materials to our manufacturing facilities, such as, freights.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress comprises of costs attributable to an increase or decrease in inventory levels during the relevant financial year/period in finished goods and work in progress.

Employee Benefit Expense

Employee benefits expense comprises (i) salaries, wages and benefits; (ii) contribution to provident fund and other funds; and (iii) staff welfare expenses.

Finance Costs

Finance cost comprises (i) interest expense on cash credit facilities/ buyers' credit, term loans from banks, on other loans such as vehicle loans and unsecured loans, and (ii) other borrowing costs.

Depreciation and Amortization Expenses

Depreciation and amortization expenses comprises (i) depreciation of property, plant and equipment; (ii) depreciation of right-of-use assets; and (iii) amortization of intangible assets.

Other Expenses

Other expenses primarily comprises consumption of stores, spares and consumables, power and fuel, labour charges, pollution control expenses, freight and handling charges, repairs and maintenance (building, others and machinery), traveling and conveyance, legal and professional expenses, rates, fees and taxes, and miscellaneous expenses comprising, amongst others, subscription and office expenses.

NON-GAAP MEASURES

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

Reconciliation of EBITDA and EBITDA Margin to Restated Profit before tax

The table below reconciles restated profit before tax to EBITDA. EBITDA is calculated as restated profit before tax, plus depreciation, amortization and impairment expenses and finance costs, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Restated profit before tax (I)	501.82	611.00	933.69	362.78	978.06
Add: Depreciation, amortization and impairment expenses (II)	35.04	39.58	50.69	25.30	32.00
Add: Finance costs (III)	43.63	55.76	52.18	27.09	16.98
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) IV = I + II + III	580.49	706.34	1,036.56	415.17	1,027.04
Revenue from operations (V)	2,532.00	3,406.88	4,796.27	2,197.55	3,338.44
EBITDA Margin (EBITDA as a percentage of Revenue from Operations) VI = (IV/V)	22.93%	20.73%	21.61%	18.89%	30.76%

RESULTS OF OPERATIONS

SIX MONTHS ENDED SEPTEMBER 30, 2020 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2019

The following table sets forth certain information relating to our results of operations for the six months ended September 30, 2019 and six months ended September 30, 2020:

Particulars	Six Months ended September 30,			
	2019		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Income				
Revenue from operations	2,197.55	98.70%	3,338.44	98.99%
Other income	28.86	1.30%	33.99	1.01%
Total Income	2,226.41	100.00%	3,372.43	100.00%
Expenses				
Cost of materials consumed	1,259.50	56.57%	1,697.41	50.33%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(89.63)	(4.03)%	(149.26)	(4.43)%
Employee benefits expense	75.50	3.39%	103.51	3.07%
Finance costs	27.09	1.22%	16.98	0.50%
Depreciation and amortization expense	25.30	1.14%	32.00	0.95%
Other expenses	565.87	25.42%	693.73	20.57%
Total expenses	1,863.63	83.71%	2,394.37	71.00%
Restated Profit before tax	362.78	16.29%	978.06	29.00%
Tax expense				
(a) Current tax	90.23	4.05%	251.37	7.45%
(b) Deferred tax	3.54	0.16%	1.72	0.05%
(c) Current taxes relating to earlier years	-	-	-	-
Restated Profit for the period	269.01	12.08%	724.97	21.50%
Other comprehensive income				
Items not to be reclassified to profit or loss				
Re-measurement of defined benefit plans	(3.46)	(0.16)%	(2.70)	(0.08)%
Income tax expense/ (benefit) related to items that will not be reclassified as profit and loss	0.87	0.04%	0.68	0.02%
Total other comprehensive income (net of tax)	(2.59)	(0.12)%	(2.02)	(0.06)%
Total comprehensive income for the period	266.42	11.97%	722.95	21.44%

Key Developments

- Our agro-chemicals Technical manufacturing capacity at our Sandila facility increased from 7,900 MT as of September 30, 2019 to 17,400 MT as of September 30, 2020.

Income

Total income increased by 51.47% from ₹ 2,226.41 million in the six months ended September 30, 2019 to ₹ 3,372.43 million in the six months ended September 30, 2020 primarily due to the reasons discussed below.

Revenue from Operations

Revenues from operations increased by 51.92% from ₹ 2,197.55 million in the six months ended September 30, 2019 to ₹ 3,338.44 million in the six months ended September 30, 2020, primarily due to an increase in sale of products by 50.37% from ₹ 2,193.13 million in the six months ended September 30, 2019 to ₹ 3,297.91 million in the six months ended September 30, 2020. Revenue generated from sale of products increased on account of (i) a significant increase in exports by 83.36% from ₹ 1,196.82 million in the six months ended September 30, 2019 to ₹ 2,194.48 million in the six months ended September 30, 2020 primarily due to increase in our installed capacity on account of expansion of our existing units, launch of new products and higher demand for our agro-chemical Technical products on account of increase in demand from our existing and new customers; and (ii) an increase in home market (net of returns) by 10.75% from ₹ 996.31 million in the six months ended September 30, 2019 to ₹ 1,103.43 million in the six months ended September 30, 2020 primarily due to an increase in revenue from our Formulations business vertical on account of increase in number of customers.

We have two distinct operational verticals, namely, Technicals and Formulations. The following table sets forth the revenue from sale of products contributed by each of our business segments and the percentage of our total revenue from sale of products for the periods indicated:

Products	Six months ended September 30, 2019		Six months ended September 30, 2020	
	Revenue from Sale of Products	As % of Total Revenue from Sale of Products	Revenue from Sale of Products	As % of Total Revenue from Sale of Products
	(₹ million)	(%)	(₹ million)	(%)
Technicals	1,562.93	71.26%	2,556.60	77.52%
Formulations	630.20	28.74%	741.31	22.48%
Total	2,193.13	100.00%	3,297.91	100.00%

In addition, other operating revenue comprising export incentives, also significantly increased from ₹ 4.42 million in the six months ended September 30, 2019 to ₹ 40.53 million in the six months ended September 30, 2020 primarily on account of an increase in our sales from exports and receipt of Merchandise Exports from India Scheme duty credit scripts.

Other Income

Other income increased by 17.78% from ₹ 28.86 million in the six months ended September 30, 2019 to ₹ 33.99 million in the six months ended September 30, 2020, primarily due to an increase in (i) interest income from financial assets at amortised cost on bank deposits from ₹ 1.16 million in the six months ended September 30, 2019 to ₹ 8.94 million in the six months ended September 30, 2020; and (ii) fair value of investments at fair value through profit and loss from nil in the six months ended September 30, 2019 to ₹ 7.11 million in the six months ended September 30, 2020 on account of favourable market conditions. This increase was offset by a decrease in net gain on foreign currency and translation by 47.75% from ₹ 26.39 million in the six months ended September 30, 2019 to ₹ 13.79 million in the six months ended September 30, 2020. Further, miscellaneous income marginally decreased from ₹ 0.03 million in the six months ended September 30, 2019 to ₹ 0.02 million in the six months ended September 30, 2020.

Expenses

Total expenses increased by 28.48% from ₹ 1,863.63 million in the six months ended September 30, 2019 to ₹ 2,394.37 million in the six months ended September 30, 2020, primarily due to an increase in cost of materials consumed, employee benefits expenses and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 34.77% from ₹ 1,259.50 million in the six months ended September 30, 2019 to ₹ 1,697.41 million in the six months ended September 30, 2020 due to an increase in the volume of production.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress changed from ₹ (89.63) million in the six months ended September 30, 2019 to ₹ (149.26) million in the six months ended September 30, 2020.

Employee Benefit Expenses

Employee benefit expense increased by 37.10% from ₹ 75.50 million in the six months ended September 30, 2019 to ₹ 103.51 million in the six months ended September 30, 2020, primarily due to an increase in salaries, wages, and benefits by 34.68%

from ₹ 67.88 million in the six months ended September 30, 2019 to ₹ 91.42 million in the six months ended September 30, 2020 on account of increase in the number of employees and increments. The number of employees increased from 522 as of September 30, 2019 to 647 as of September 30, 2020.

Finance Costs

Finance costs decreased by 37.32% from ₹ 27.09 million in the six months ended September 30, 2019 to ₹ 16.98 million in the six months ended September 30, 2020 primarily due to a significant decrease in interest expenses – cash credit facilities/ buyers' credit from ₹ 13.41 million in the six months ended September 30, 2019 to ₹ 4.36 million in the six months ended September 30, 2020 on account of reduction in utilization of working capital facilities.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 26.48% from ₹ 25.30 million in the six months ended September 30, 2019 to ₹ 32.00 million in the six months ended September 30, 2020, primarily due to an increase in depreciation on property, plant and equipment and right of use and amortization of intangible assets on account of capitalization of new plant and machinery and related factory building to manufacture herbicides.

Other Expenses

Other expenses increased by 22.60% from ₹ 565.87 million in the six months ended September 30, 2019 to ₹ 693.73 million in the six months ended September 30, 2020, primarily due to an increase in volume of production and sales. Freight and handling charges increased from ₹ 71.92 million in the six months ended September 30, 2019 to ₹ 152.99 million in the six months ended September 30, 2020. Power and fuel also increased by 30.67% from ₹ 104.31 million in the six months ended September 30, 2019 to ₹ 136.30 million in the six months ended September 30, 2020. Further, labour charges increased from ₹ 36.69 million in the six months ended September 30, 2019 to ₹ 75.73 million in the six months ended September 30, 2020. In addition, miscellaneous expenses increased from ₹ 4.68 million in the six months ended September 30, 2019 to ₹ 5.89 million in the six months ended September 30, 2020. This increase was offset by a decrease in consumption of stores, spares and consumables by 19.24% from ₹ 247.12 million in the six months ended September 30, 2019 to ₹ 199.58 million in the six months ended September 30, 2020.

Restated Profit before Tax

For the reasons discussed above, restated profit before tax was ₹ 978.06 million in the six months ended September 30, 2020 compared to ₹ 362.78 million in the six months ended September 30, 2019.

Tax Expense

Current tax expenses significantly increased from ₹ 90.23 million in the six months ended September 30, 2019 to ₹ 251.37 million in the six months ended September 30, 2020, primarily on account of increase in profits.

Restated Profit for the Period

For the various reasons discussed above, we recorded a profit for the period of ₹ 724.97 million in the six months ended September 30, 2020 compared to ₹ 269.01 million in the six months ended September 30, 2019.

Total Comprehensive Income for the Period

Total comprehensive income for the period was ₹ 722.95 million in the six months ended September 30, 2020 compared to ₹ 266.42 million in the six months ended September 30, 2019.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 1,027.04 million in the six months ended September 30, 2020 compared to EBITDA of ₹ 415.17 million in the six months ended September 30, 2019, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 30.76% in the six months ended September 30, 2020 compared to 18.89% in the six months ended September 30, 2019.

FISCALS 2018, 2019 AND 2020

The following table sets forth certain information with respect to our results of operations for Fiscal 2018, 2019 and 2020:

Particulars	Fiscal					
	2018 (proforma)		2019		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Income						
Revenue from operations	2,532.00	98.96%	3,406.88	98.45%	4,796.27	97.94%

Particulars	Fiscal					
	2018 (proforma)		2019		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Other income	26.57	1.04%	53.54	1.55%	101.00	2.06%
Total Income	2,558.57	100.00%	3,460.42	100.00%	4,897.27	100.00%
Expenses						
Cost of materials consumed	1,198.45	46.84%	1,945.34	56.22%	2,566.06	52.40%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	46.72	1.83%	(74.41)	(2.15)%	(35.07)	(0.72)%
Employee benefits expense	120.58	4.71%	134.48	3.89%	164.00	3.35%
Finance costs	43.63	1.71%	55.76	1.61%	52.18	1.07%
Depreciation and amortization expense	35.04	1.37%	39.58	1.14%	50.69	1.04%
Other expenses	612.33	23.93%	748.67	21.64%	1,165.72	23.80%
Total expenses	2,056.75	80.39%	2,849.42	82.34%	3,963.58	80.93%
Restated Profit before tax	501.82	19.61%	611.00	17.66%	933.69	19.07%
Tax expense						
(a) Current tax	160.00	6.25%	170.00	4.91%	230.95	4.72%
(b) Deferred tax	13.76	0.54%	1.79	0.05%	(2.09)	(0.04)%
(c) Current taxes relating to earlier years	-	-	-	-	(3.16)	(0.06)%
Restated Profit for the year	328.06	12.82%	439.21	12.69%	707.99	14.46%
Other comprehensive income						
Items not to be reclassified to profit or loss						
Re-measurement of defined benefit plans	(0.80)	(0.03)%	(0.70)	(0.02)%	(2.86)	(0.06)%
Income tax expense/ (benefit) related to items that will not be reclassified as profit and loss	0.28	0.01%	0.20	0.01%	0.72	0.01%
Total other comprehensive income (net of tax)	(0.52)	(0.02)%	(0.50)	(0.01)%	(2.14)	(0.04)%
Total comprehensive income for the year	327.54	12.80%	438.71	12.68%	705.85	14.41%

FISCAL 2020 COMPARED TO FISCAL 2019

Key Developments

- Our agro-chemicals Technical manufacturing capacity at our Sandila facility increased from 7,900 MT as of March 31, 2019 to 12,400 MT as of March 31, 2020.

Income

Total income increased by 41.52% from ₹ 3,460.42 million in Fiscal 2019 to ₹ 4,897.27 million in Fiscal 2020 primarily due to the reasons discussed below.

Revenue from Operations

Revenues from operations increased by 40.78% from ₹ 3,406.88 million in Fiscal 2019 to ₹ 4,796.27 million in Fiscal 2020, primarily due to an increase in sale of products by 40.47% from ₹ 3,402.60 million in Fiscal 2019 to ₹ 4,779.58 million in Fiscal 2020. Revenue generated from sale of products increased on account of an increase in (i) exports by 74.43% from ₹ 1,707.96 million in Fiscal 2019 to ₹ 2,979.24 million in Fiscal 2020 primarily due to increase in our installed capacity on account of expansion of our existing units, launch of new products and higher demand for our agro-chemical Technical products on account of increase in demand from our existing and new customers; and (ii) home market (net of returns) by 6.24% from ₹ 1,694.64 million in Fiscal 2019 to ₹ 1,800.34 million in Fiscal 2020 increase in revenue from our Formulations business vertical on account of increase in number of customers.

The following table sets forth the revenue from sale of products contributed by each of our business segments, namely, Technicals and Formulations and the percentage of our total revenue from sale of products for the periods indicated:

Products	Fiscal 2019		Fiscal 2020	
	Revenue from Sale of Products	As % of Total Revenue from Sale of Products	Revenue from Sale of Products	As % of Total Revenue from Sale of Products
	(₹ million)	(%)	(₹ million)	(%)
Technicals	2,566.59	75.43%	3,832.81	80.19%

Products	Fiscal 2019		Fiscal 2020	
	Revenue from Sale of Products	As % of Total Revenue from Sale of Products	Revenue from Sale of Products	As % of Total Revenue from Sale of Products
	(₹ million)	(%)	(₹ million)	(%)
Formulations	836.01	24.57%	946.77	19.81%
Total	3,402.60	100.00%	4,779.58	100.00%

In addition, other operating revenue comprising export incentives, also significantly increased from ₹ 4.28 million in Fiscal 2019 to ₹ 16.69 million in Fiscal 2020 primarily on account of increase in export sales.

Other Income

Other income significantly increased by 88.64% from ₹ 53.54 million in Fiscal 2019 to ₹ 101.00 million in Fiscal 2020, primarily due to an increase in net gain on foreign currency and translation from ₹ 46.13 million in Fiscal 2019 to ₹ 95.43 million in Fiscal 2020 on account of depreciation of the Indian Rupee against US\$ and Euro. However, this increase was marginally offset by a decrease in miscellaneous income from ₹ 2.80 million in Fiscal 2019 to ₹ 0.96 million in Fiscal 2020.

Expenses

Total expenses increased by 39.10% from ₹ 2,849.42 million in Fiscal 2019 to ₹ 3,963.58 million in Fiscal 2020, primarily due to an increase in cost of materials consumed, employee benefits expense and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 31.91% from ₹ 1,945.34 million in Fiscal 2019 to ₹ 2,566.06 million in Fiscal 2020 due to an increase in the volume of production.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress changed from ₹ (74.41) million in Fiscal 2019 to ₹ (35.07) million in Fiscal 2020.

Employee Benefits Expenses

Employee benefit expense increased by 21.95% from ₹ 134.48 million in Fiscal 2019 to ₹ 164.00 million in Fiscal 2020, primarily due to an increase in salaries, wages, and benefits by 22.88% from ₹ 115.83 million in Fiscal 2019 to ₹ 142.33 million in Fiscal 2020 on account of increase in the number of employees and increments. The number of employees increased from 471 as of March 31, 2019 to 552 as of March 31, 2020.

Finance Costs

Finance costs marginally decreased by 6.42% from ₹ 55.76 million in Fiscal 2019 to ₹ 52.18 million in Fiscal 2020 primarily due to a decrease in interest expenses – term loans from banks by 45.27% from ₹ 7.82 million in Fiscal 2019 to ₹ 4.28 million in Fiscal 2020 on account of reduction in term loan.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 28.07% from ₹ 39.58 million in Fiscal 2019 to ₹ 50.69 million in Fiscal 2020 primarily due to depreciation on property, plant and equipment and right of use and amortization of intangible assets on account of capitalization of new plant and machinery and related factory building to manufacture herbicides.

Other Expenses

Other expenses increased by 55.71% from ₹ 748.67 million in Fiscal 2019 to ₹ 1,165.72 million in Fiscal 2020, primarily due to an increase in an increase in the volume of production and sales. Consumption of stores, spares and consumables increased by 76.11% from ₹ 250.28 million in Fiscal 2019 to ₹ 440.76 million in Fiscal 2020. Freight and handling charges also increased by 55.43% from ₹ 113.80 million in Fiscal 2019 to ₹ 176.88 million in Fiscal 2020. Further, power and fuel increased by 30.17% from ₹ 171.85 million in Fiscal 2019 to ₹ 223.70 million in Fiscal 2020. In addition, labour charges from ₹ 32.96 million in Fiscal 2019 to ₹ 90.58 million in Fiscal 2020. Miscellaneous expenses also increased from ₹ 7.43 million in Fiscal 2019 to ₹ 9.51 million in Fiscal 2020.

Restated Profit before Tax

For the reasons discussed above, restated profit before tax was ₹ 933.69 million in Fiscal 2020 compared to ₹ 611.00 million in Fiscal 2019.

Tax Expense

Current tax expenses increased by 35.85% from ₹ 170.00 million in Fiscal 2019 to ₹ 230.95 million in Fiscal 2020, primarily on account of increase in profits.

Profit for the Year

For the various reasons discussed above, we recorded a restated profit for the year of ₹ 707.99 million in Fiscal 2020 compared to ₹ 439.21 million in Fiscal 2019.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 705.85 million in Fiscal 2020 compared to ₹ 438.71 million in Fiscal 2019.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 1,036.56 million in Fiscal 2020 compared to EBITDA of ₹ 706.34 million in Fiscal 2019, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 21.61% in Fiscal 2020 compared to 20.73% in Fiscal 2019.

FISCAL 2019 COMPARED TO FISCAL 2018

Key Developments

- Our agro-chemicals Technical manufacturing capacity at our Sandila facility increased from 3,700 MT as of March 31, 2018 to 7,900 MT as of March 31, 2019.

Income

Total income increased by 35.25% from ₹ 2,558.57 million in Fiscal 2018 to ₹ 3,460.42 million in Fiscal 2019 primarily due to the reasons discussed below.

Revenue from Operations

Revenues from operations increased by 34.55% from ₹ 2,532.00 million in Fiscal 2018 to ₹ 3,406.88 million in Fiscal 2019, primarily due to an increase in sale of products by 34.50% from ₹ 2,529.90 million in Fiscal 2018 to ₹ 3,402.60 million in Fiscal 2019. Revenue generated from sale of products increased on account of (i) a significant increase in (i) exports by 95.10% from ₹ 875.45 million in Fiscal 2018 to ₹ 1,707.96 million in Fiscal 2019 primarily due to increase in our agro-chemicals Technical manufacturing capacity at our Sandila facility resulting in an increase volume of production; and (ii) a marginal increase in home market (net of returns) by 2.43% from ₹ 1,654.45 million in Fiscal 2018 to ₹ 1,694.64 million in Fiscal 2019.

The following table sets forth the revenue from sale of products contributed by each of our business segments, namely, Technicals and Formulations and the percentage of our total revenue from sale of products for the periods indicated:

Products	Fiscal 2018		Fiscal 2019	
	Revenue from Sale of Products	As % of Total Revenue from Sale of Products	Revenue from Sale of Products	As % of Total Revenue from Sale of Products
	(₹ million)	(%)	(₹ million)	(%)
Technicals	1,794.63	70.94%	2,566.59	75.43%
Formulations	735.28	29.06%	836.01	24.57%
Total	2,529.91	100.00%	3,402.60	100.00%

Other Income

Other income increased from ₹ 26.57 million in Fiscal 2018 to ₹ 53.54 million in Fiscal 2019, primarily due to an increase in net gain on foreign currency and translation from ₹ 20.96 million in Fiscal 2018 to ₹ 46.13 million in Fiscal 2019 on account of depreciation of the Indian Rupee against US\$ and Euro. Further, miscellaneous income increased from ₹ 0.21 million in Fiscal 2018 to ₹ 2.80 million in Fiscal 2019.

Expenses

Total expenses increased by 38.54% from ₹ 2,056.75 million in Fiscal 2018 to ₹ 2,849.42 million in Fiscal 2019, primarily due to an increase in cost of materials consumed, employee benefits expense and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 62.32% from ₹ 1,198.45 million in Fiscal 2018 to ₹ 1,945.34 million in Fiscal 2019 due to an increase in the volume of production.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress changed from ₹ 46.72 million in Fiscal 2018 to ₹ (74.41) million in Fiscal 2019.

Employee Benefits Expenses

Employee benefit expense increased by 11.53% from ₹ 120.58 million in Fiscal 2018 to ₹ 134.48 million in Fiscal 2019, primarily due to an increase in salaries, wages, and benefits by 9.78% from ₹ 105.51 million in Fiscal 2018 to ₹ 115.83 million in Fiscal 2019 on account of increase in the number of employees and increments. The number of employees increased from 424 as of March 31, 2018 to 471 as of March 31, 2019.

Finance Costs

Finance costs increased by 27.80% from ₹ 43.63 million in Fiscal 2018 to ₹ 55.76 million in Fiscal 2019 primarily due to increase in interest expenses – cash credit facilities/ buyers' credit by 56.17% from ₹ 16.61 million in Fiscal 2018 to ₹ 25.94 million in Fiscal 2019 on account of increase in working capital requirements.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 12.96% from ₹ 35.04 million in Fiscal 2018 to ₹ 39.58 million in Fiscal 2019 primarily due to depreciation on property, plant and equipment and right of use and amortization of intangible assets on account of capitalization of new plant and machinery and related factory building to manufacture herbicides.

Other Expenses

Other expenses increased by 22.27% from ₹ 612.33 million in Fiscal 2018 to ₹ 748.67 million in Fiscal 2019, primarily due to an increase in production volumes. Consumption of stores, spares and consumables increased by 67.15% from ₹ 149.73 million in Fiscal 2018 to ₹ 250.28 million in Fiscal 2019. Power and fuel also increased by 34.68% from ₹ 127.60 million in Fiscal 2018 to ₹ 171.85 million in Fiscal 2019. Further, freight and handling charges increased by 29.41% from ₹ 87.94 million in Fiscal 2018 to ₹ 113.80 million in Fiscal 2019. In addition, legal and professional expenses from ₹ 31.69 million in Fiscal 2018 to ₹ 69.03 million in Fiscal 2019. Miscellaneous expenses also increased from ₹ 5.80 million in Fiscal 2018 to ₹ 7.43 million in Fiscal 2019.

Restated Profit before Tax

For the reasons discussed above, restated profit before tax was ₹ 611.00 million in Fiscal 2019 compared to ₹ 501.82 million in Fiscal 2018.

Tax Expense

Current tax expenses increased by 6.25% from ₹ 160.00 million in Fiscal 2018 to ₹ 170.00 million in Fiscal 2019, primarily on account of increase in profits.

Restated Profit for the Year

For the various reasons discussed above, we recorded a restated profit for the year of ₹ 439.21 million in Fiscal 2019 compared to ₹ 328.06 million in Fiscal 2018.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 438.71 million in Fiscal 2019 compared to ₹ 327.54 million in Fiscal 2018.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 706.34 million in Fiscal 2019 compared to EBITDA of ₹ 580.49 million in Fiscal 2018, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 20.73% in Fiscal 2019 compared to 22.93% in Fiscal 2018.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Net cash generated from operating activities	160.36	(33.79)	751.50	415.00	807.27
Net cash (used in) investing activities	(127.93)	(66.37)	(310.70)	(194.73)	(768.35)
Cash generated from / (used in) financing activities	(21.75)	92.94	(389.93)	(185.58)	(77.23)
Net increase/ decrease in cash and cash equivalents	10.68	(7.22)	50.87	34.69	(38.31)
Cash and cash equivalents at the end of the period/ year	23.52	16.30	67.17	50.99	28.86

Operating Activities

Six Months Ended September 30, 2020

In the six months ended September 30, 2020, net cash generated from operations was ₹ 807.27 million. Net profit before tax was ₹ 978.06 million in the six months ended September 30, 2020 and adjustments to reconcile profit before tax to net cash flows consisted of depreciation of ₹ 32.00 million, interest expenses of ₹ 16.98 million and provision for employee benefits of ₹ 12.03 million. Operating profit before working capital changes was ₹ 1,020.70 million in the six months ended September 30, 2020. The main working capital adjustments in the six months ended September 30, 2020 included an increase in trade payables of ₹ 507.26 million on account of increase in purchases of raw materials. This was significantly offset by an increase in trade receivables of ₹ 426.81 million and increase in inventories of ₹ 204.18 million. Cash generated from operations in the six months ended September 30, 2020 amounted to ₹ 969.07 million. Direct taxes paid (net) amounted to ₹ 161.80 million.

Six Months Ended September 30, 2019

In the six months ended September 30, 2019, net cash generated from operations was ₹ 415.00 million. Net profit before tax was ₹ 362.78 million in the six months ended September 30, 2019 and adjustments to reconcile profit before tax to net cash flows consisted of interest expenses of ₹ 27.09 million and depreciation of ₹ 25.30 million, which was offset by net unrealised foreign exchange gain of ₹ 27.94 million. Operating profit before working capital changes was ₹ 392.49 million in the six months ended September 30, 2019. The main working capital adjustments in the six months ended September 30, 2019 included an increase in trade payables of ₹ 225.61 million on account of increase in purchases of raw materials. This was offset by an increase in inventories of ₹ 130.53 million. Cash generated from operations in the six months ended September 30, 2019 amounted to ₹ 502.65 million. Direct taxes paid (net) amounted to ₹ 87.65 million.

Fiscal 2020

In Fiscal 2020, net cash generated from operations was ₹ 751.50 million. Net profit before tax was ₹ 933.69 million in Fiscal 2020 and adjustments to reconcile profit before tax to net cash flows consisted of interest expenses of ₹ 52.18 million and depreciation of ₹ 50.67 million, which was offset by net unrealised foreign exchange gain of ₹ 41.97 million. Operating profit before working capital changes was ₹ 1,008.59 million in Fiscal 2020. The main working capital adjustments in Fiscal 2020 included an increase in trade payables of ₹ 64.85 million and increase in other current liabilities of ₹ 35.01 million. This was significantly offset by an increase in other current assets of ₹ 89.02 million, and increase in inventories of ₹ 30.46 million. Cash generated from operations in Fiscal 2020 amounted to ₹ 974.41 million. Direct taxes paid (net) amounted to ₹ 222.91 million.

Fiscal 2019

In Fiscal 2019, net cash used in operations was ₹ 33.79 million. Net profit before tax was ₹ 611.00 million in Fiscal 2019 and adjustments to reconcile profit before tax to net cash flows consisted of interest expenses of ₹ 55.77 million and depreciation of ₹ 39.39 million, which was offset by net unrealised foreign exchange gain of ₹ 22.59 million. Operating profit before working capital changes was ₹ 682.82 million in Fiscal 2019. The main working capital adjustments in Fiscal 2019 included an increase in trade receivables of ₹ 532.34 million and increase in inventories of ₹ 163.06 million. This was offset by an increase in trade payables of ₹ 193.44 million. Cash generated from operations in Fiscal 2019 amounted to ₹ 139.21 million. Direct taxes paid (net) amounted to ₹ 173.00 million.

Fiscal 2018

In Fiscal 2018, net cash generated from operations was ₹ 160.36 million. Net profit before tax was ₹ 501.82 million in Fiscal 2018 and adjustments to reconcile profit before tax to net cash flows consisted of interest expenses of ₹ 38.53 million and depreciation of ₹ 34.86 million, which was offset by net unrealised foreign exchange gain of ₹ 20.98 million. Operating profit before working capital changes was ₹ 564.49 million in Fiscal 2018. The main working capital adjustments in Fiscal 2018 included an increase in trade payables of ₹ 96.90 million and decrease in inventories of ₹ 46.51 million. This was significantly offset by an increase in trade receivables of ₹ 388.02 million. Cash generated from operations in Fiscal 2018 amounted to ₹ 316.70 million. Direct taxes paid (net) amounted to ₹ 156.34 million.

Investing Activities

Six Months Ended September 30, 2020

Net cash flow used in investing activities was ₹ 768.35 million in the six months ended September 30, 2020, primarily on account of increase in term deposits of ₹ 739.87 million.

Six Months Ended September 30, 2019

Net cash flow used in investing activities was ₹ 194.73 million in the six months ended September 30, 2019, primarily on account of purchase of property, plant and equipment, intangible assets and capital work-in-progress of ₹ 193.59 million.

Fiscal 2020

Net cash flow used in investing activities was ₹ 310.70 million in Fiscal 2020, primarily on account of purchase of property, plant and equipment, and intangible assets and capital work-in-progress of ₹ 308.37 million.

Fiscal 2019

Net cash flow used in investing activities was ₹ 66.37 million in Fiscal 2019, primarily on account of purchase of property, plant and equipment, intangible assets and capital work-in-progress of ₹ 72.33 million, purchase of investments of ₹ 22.76 million. This was offset by sale of proceeds of investments amounting to ₹ 24.66 million in Fiscal 2019.

Fiscal 2018

Net cash flow used in investing activities was ₹ 127.93 million in Fiscal 2018, primarily on account of purchase of property, plant and equipment, intangible assets and capital work-in-progress of ₹ 118.82 million and purchase of investments of ₹ 31.40 million. This was offset by sale of proceeds of investments amounting to ₹ 21.53 million in Fiscal 2018.

Financing Activities

Six Months Ended September 30, 2020

Cash used in financing activities was ₹ 77.23 million in the six months ended September 30, 2020, primarily on account of repayment of long term borrowings of ₹ 71.57 million, interest paid of ₹ 13.01 million and repayment from short-term borrowings (net) of ₹ 12.65 million. This was partially offset by proceeds from long term borrowings of ₹ 20.00 million.

Six Months Ended September 30, 2019

Cash used in financing activities was ₹ 185.58 million in the six months ended September 30, 2019, primarily on account of repayment from short-term borrowings (net) of ₹ 136.22 million and interest paid of ₹ 26.96 million.

Fiscal 2020

Cash used in financing activities was ₹ 389.93 million in Fiscal 2020, primarily on account of repayment from short-term borrowings (net) of ₹ 302.27 million and interest paid of ₹ 51.92 million.

Fiscal 2019

Cash generated from financing activities was ₹ 92.94 million in Fiscal 2019, primarily on account of proceeds from long term borrowings of ₹ 131.21 million and proceeds from short-term borrowings (net) of ₹ 112.21 million. This was offset by repayment of long term borrowings of ₹ 92.18 million and interest paid of ₹ 50.64 million.

Fiscal 2018

Cash used in financing activities was ₹ 21.75 million in Fiscal 2018, primarily on account of repayment of long term borrowings of ₹ 98.23 million and interest paid of ₹ 38.53 million. This was significantly offset by proceeds from short-term borrowings (net) of ₹ 97.85 million and proceeds from long term borrowings of ₹ 24.82 million.

INDEBTEDNESS

As of September 30, 2020, we had total borrowings (consisting of long term borrowings) of ₹ 216.26 million. Our long term debt to equity ratio was 0.03 as of September 30, 2020. For further information on our indebtedness, see “*Financial Indebtedness*” on page 262.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2020, and our repayment obligations in the periods indicated:

Particulars	As of September 30, 2020				
	Payment due by period				
	(₹ million)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Long Term Borrowings					
Term loans (secured)	5.62	2.08	3.54	-	-
Term loans (unsecured)	87.84	-	-	87.84	-
Total long term borrowings	93.46	2.08	3.54	87.84	-
Short Term Borrowings					
Secured	122.80	122.80	-	-	-
Unsecured	-	-	-	-	-
Total Short Term Borrowings	122.80	122.80	-	-	-
Total Borrowings	216.26	124.88	3.54	87.84	-

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2020, our contingent liabilities that have not been accounted for in our financial statements, were as follows:

Particulars	Amount
	(₹ million)
Claims against the Company not acknowledged as debts	
Tax matters in dispute under appeal	6.31
Total	6.31

For further information on our contingent liabilities, see “Financial Information – Note 34: Contingent Liabilities” on page 210.

Except as disclosed in the Restated Financial Information or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of September 30, 2020, aggregated by type of contractual obligation:

Particulars	As of September 30, 2020				
	Payment due by period				
	(₹ million)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual obligations					
Long-term debt obligations	216.26	124.88	3.54	87.84	-
Capital (finance) lease obligations	1.14	0.04	0.16	0.08	0.86
Operating lease obligations	-	-	-	-	-
Purchase obligations	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-
Lease arrangements	-	-	-	-	-
Total	217.40	124.92	3.70	87.92	0.86

For further information on our capital and other commitments, see “Financial Statements” on page 179.

CAPITAL EXPENDITURES

In Fiscal 2018, Fiscal 2019, Fiscal 2020 and in the six months ended September 30, 2019 and 2020, our capital expenditure towards additions to fixed assets (purchase of property, plant and equipment’s, intangible assets and capital work-in-progress) were ₹ 118.82 million, ₹ 72.33 million, ₹ 308.37 million, ₹ 193.59 million and ₹ 36.74 million, respectively. The following table sets forth our fixed assets for the periods indicated:

Particulars	Fiscal 2018 (proforma)	Fiscal 2019	Fiscal 2020	Six months ended September 30, 2019	Six months ended September 30, 2020
				(₹ million)	
Property, plant and equipment	687.86	697.60	950.01	781.31	919.52
Right of use of Assets	-	-	42.56	42.57	42.88
Intangible Assets	2.21	1.99	1.65	1.86	1.43
Capital Work in Progress	24.95	47.46	11.57	90.04	46.71
Intangible Assets under development	2.55	2.55	-	-	-
Total	717.57	749.60	1,005.79	915.78	1,010.54

For further information, see “Financial Statements” on page 179.

RELATED PARTY TRANSACTIONS

We have entered into transactions with several related parties, including our Promoter Group, Directors and Key Managerial Personnel, which were carried out in compliance with applicable laws. In particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, professional fees, rent expense, reimbursement of expenses and interest on unsecured loan. For further information relating to our related party transactions, see “Financial Statements” on page 179.

AUDITOR’S OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their examination report to the Restated Financial Information and auditor’s reports to the audited financial statements as of and for the years ended March 31, 2018, 2019 and 2020, and as of and for the six months ended September 30, 2019 and September 30, 2020.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our Board of Directors has the overall responsibility for the establishment and oversight of our Company’s risk management framework. Our risk management policies are established to identify and analyse the risks faced by our Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our Company’s activities. Our Board has been monitoring the risks that our Company is exposed to due to outbreak of the COVID-19 pandemic.

In the course of our business, we are exposed to certain risks arising from financial instruments such as credit risk, liquidity risk, market risk and interest rate risk.

Credit Risk

Credit risk arises from the possibility that the value of receivables or other financial assets of our Company may be impaired because counterparties cannot meet their payment or other performance obligations. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including investments, deposits with banks and financial institutions and other financial instruments.

To manage credit risks from trade receivables other than related parties, the credit managers from order to cash department of our Company regularly analyse customer’s receivables, overdue and payment behaviours. Some of these receivables are collateralised and the same is used according to certain conditions. These could include advance payments, security deposits and post-dated cheques. Credit limits for this trade receivables are evaluated and set in line with our Company’s internal guidelines.

We measure the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than three months, since our management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

The following table sets forth the ageing of account receivables as of September 30, 2020:

Trade receivables	As of September 30, 2020
	(₹ million)
0-3 months	1,081.39
More than 3 months	1,184.05
Total	2,265.44

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. Due to the dynamic nature of underlying businesses, our Company maintains flexibility in funding by maintaining availability under committed credit lines.

Our management monitors rolling forecast of Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, our liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets

necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect our Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Our Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign Currency Risk

Foreign currency opportunities and risks for our Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (₹). Our Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar (US\$).

The US\$ exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. We have put in place a financial risk management policy to identify an effective and efficient way of managing the currency risks.

The following table sets forth the currency profile of financial assets and financial liabilities as of September 30, 2020:

Particulars	As of September 30, 2020		
	INR	EURO	US\$
	(₹ million)		
Financial Asset			
Trade receivables	1,123.14	23.61	1,101.99
Financial Liabilities			
Trade payables	899.38	2.16	219.75

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. Our Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Our approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of our Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

Our Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration. We also have long-term fixed interest bearing assets.

Risk due to outbreak of the COVID-19 pandemic

The outbreak of the COVID-19 pandemic globally and in India has severely impacted businesses and economies. On account of the COVID-19 pandemic, India had imposed a nationwide lockdown on March 24, 2020. However, since manufacturing of pesticides was determined to be an essential industry pursuant to the Ministry of Home Affairs order dated March 27, 2020, we were allowed to resume operations in a phased manner. Accordingly, both of our facilities restarted operations in a phased manner after April 15, 2020, subject to certain adjustments in working patterns, social distancing measures and additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. Our

Company has considered external and internal information in assessing the impact of the COVID-19 pandemic on various elements of its financial statements, including recoverability of its assets.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

For further information, see “*Financial Statements – Note 41: Financial Risk Management*” on page 221.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*” and the uncertainties described in “*Risk Factors*” on pages 237 and 27, respectively.

KNOWN TRENDS OR UNCERTAINTIES THAT HAVE HAD OR ARE EXPECTED TO HAVE A MATERIAL ADVERSE IMPACT ON SALES, REVENUE OR INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “*– Significant Factors Affecting our Results of Operations*” and the uncertainties described in “*Risk Factors*” on pages 237 and 27, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

EXPECTED FUTURE CHANGES IN RELATIONSHIP BETWEEN COSTS AND INCOME

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 134 and 234 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 134, 111 and 27, respectively, for further details on competitive conditions that we face across our various business segments.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals and the six months ended September 30, 2020 and 2019, are as described in “*– Results of Operations – Six Months ended September 30, 2020 compared to the Six Months ended September 30, 2019*”, “*– Results of Operations – Fiscal 2020 compared to Fiscal 2019*” and “*– Results of Operations – Fiscal 2019 compared to Fiscal 2018*” above on pages 247, 250 and 252, respectively.

SEGMENT REPORTING

Our Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. Accordingly, our Company has determined that it operates only in one segment, i.e. ‘agro chemicals’ as its operating segment. For further information, see “*Financial Statements – Note 38: Segment Reporting*” on page 193.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

We are dependent on a limited number of customers for a significant portion of our revenues. In Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, our top 10 customers represented 43.80%, 54.35%, 58.59% and 69.27%,

respectively, of our total revenues from operations in such periods. While our largest customer represented 22.50%, 29.63%, 16.75% and 25.20% of our total revenues from operations in Fiscals 2018, 2019 and 2020, and in the six months ended September 30, 2020, respectively. For further information, see “*Risk Factors - We depend on the success of our relationships with our customers. A significant portion of our revenue is generated from certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.*” and “– *Significant Factors Affecting our Results of Operations - Relationship with key customers*” on pages 34 and 237, respectively.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our agrochemicals business is affected by seasonal variations and adverse weather conditions. For further information, see “*Risk Factors - Our agro-chemicals business is subject to climatic conditions, the overall area under cultivation and the cropping pattern adopted by the farming community. Seasonal variations and unfavorable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition*” on page 31.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

- On November 11, 2020, our Board of Directors recommended a payment of final dividend of ₹ 110 per Equity Share of face value of ₹ 100 each for Fiscal 2020, which amounted to ₹ 35.02 million. Subsequently, this dividend was approved at our Company’s annual general meeting on December 21, 2020.
- As per recommendation of our Board of Directors on December 21, 2020 and approval of our Shareholders on December 28, 2020, our Company increased its existing authorised share capital to ₹ 15,00,00,000 consisting of 1,500,000 equity shares of face value of ₹ 100 each. Further, the existing equity shares were split into 150,000,000 equity shares of face value of ₹ 1 each. Accordingly, the existing issued, paid up and subscribed share capital of our Company was subdivided to 31,832,500 equity shares of ₹ 1 each.
- As per recommendation of our Board of Directors on December 21, 2020 and approval of our Shareholders on December 28, 2020, our Company issued 79,581,250 bonus equity shares of face value of ₹ 1 each in ratio of 2.5:1 (i.e. 5 (five) bonus shares for every 2 (two) equity share). Accordingly, the then issued, subscribed and paid-up share capital increased to ₹ 111.41 million comprising of 111,413,750 equity shares of face value of ₹ 1 each.
- On January 18, 2021, we incorporated a Subsidiary, Shalvis Specialities Limited, that is authorised to engage in the business of, among other things, manufacture, production, formulation, sale and trade of all types of agricultural chemicals and pesticides under the objects clause of its memorandum of association.
- Our Board of Directors, pursuant to a meeting dated January 23, 2021, have recommended raising of funds for an amount of ₹ 12.52 million by way of issue of 371,380 Equity shares having face value of ₹ 1 each at a premium of ₹ 32.70 on preferential allotment basis. The issue of Equity Shares through a private placement was approved by our Shareholders in their extra ordinary general meeting on January 25, 2021 and 371,380 Equity Shares were allotted to the allottees on January 28, 2021.

Except as disclosed above or elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since September 30, 2020, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2020, derived from Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" on pages 234 and 27, respectively.

(₹ in million except ratios)

Particulars	Pre-Offer as at September 30, 2020	As adjusted for the proposed Offer
Borrowings		
- Short-term debt	122.80	●
- Long-term debt	91.38	●
- Current maturities of long-term debt	2.08	●
Total Debt	216.26	●
Shareholders' Funds		
- Share Capital		
- Equity	31.83	●
- Reserves and Surplus	3,259.51	●
Total Equity	3,291.34	●
Total Debt/ Equity Ratio	0.07	●
Long-term Debt/ Equity Ratio¹	0.03	●

Notes:

- ¹⁾ Long-term debt includes current maturities of long-term debt
- ²⁾ The amounts disclosed above are based on Restated Financial Information of our Company.
- ³⁾ The corresponding post-Offer capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of Book Building Process and hence the same has not been provided in the above statement.
- ⁴⁾ The above table does not include lease liability on implementation of Ind AS 116 – "Leases" which has been disclosed as a separate line item in the Restated Financial Information.
- ⁵⁾ As per recommendation of the Board of Directors dated December 21, 2020 and approval of the shareholders dated December 28, 2020, our Company has increased its existing authorised share capital to ₹150 million consisting of 1,500,000 equity shares of face value of ₹100 each. Further, the existing equity shares were split into 150,000,000 Equity Shares of face value of ₹1 each. Pursuant to above resolution the existing issued, paid up and subscribed share capital of our Company stands subdivided to 31,832,500 equity shares of ₹1 each.
- ⁶⁾ As per recommendation of the Board of Directors dated December 21, 2020 and approval of the shareholders dated December 28, 2020, our Company has issued 79,581,250 bonus Equity Shares of face value of ₹1.00/- each in ratio of 2.5:1 (i.e. 5 (Five) Equity Shares for every 2 (Two) Equity Shares. Consequently the issued, subscribed and paid-up share capital was increased to ₹111.41 million comprising of 111,413,750 Equity Shares of face value of ₹1/- each. Capitalization of reserves will be done in the reporting period in which it is approved i.e. post September 30, 2020.
- ⁷⁾ The Board of Directors in its meeting dated January 23, 2021 have recommended raising of funds for an amount of ₹12.52 million by way of issue of 371,380 Equity Shares having face value of ₹1/- each at a premium of ₹32.70 on preferential allotment basis. The above was approved at the Extraordinary General Meeting of the Company held on January 25, 2021. The same has not been recognised as it is approved after the reporting period.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business and for general corporate purposes.

Set forth below is a brief summary of our aggregate borrowings as of January 10, 2021:

(in ₹ million)

Category of borrowings	Sanctioned amount	Outstanding amount*
Fund based facilities		
- Term loans	78.10	70.14
- Cash Credit	80	63.49
- Cash Credit – Book debts	143	34.90
- EPC	180	7.76
- FBP/ FBN	420	148.41
- Bill discounting	25	-
Non-fund based facilities		
- Bank guarantee	20	13.90
- letter of credit	430	223.77
- FLC	730	35.34
Total	2,106.10	597.71

* As certified by Lodha & Co., Statutory Auditors pursuant to their certificate dated February 8, 2021

Principal terms of the facilities sanctioned to our Company:

1. **Interest:** In respect of certain facilities sanctioned to our Company, the interest rate is based on the marginal cost of fund based lending rates and fixed lending rates, which ranges from 8.50% per annum to 12.00% per annum.
2. **Tenor:** The tenor of the facilities sanctioned to our Company typically ranges from 120 days to up to five years.
3. **Security:** The facilities sanctioned are typically secured by way of first charge on the current assets and vehicles, equitable mortgage on our immovable property at Dewa Road, Lucknow and at Sandila, Uttar Pradesh and the immovable property owned by Ram Swarup Cold Storage & Allied Industries, and equitable mortgage on the immovable property located at Chinhat, Lucknow and hypothecation of plant and machinery at Dewa Road, Lucknow and Sandila, Uttar Pradesh. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.
4. **Pre-payment:** Our Company may prepay together with accrued interest on the amount prepaid and subject to funding penalties, at the discretion of the lenders.
5. **Penal interest:** The penal interest charged by the lenders for the loans availed by our Company is typically 2%.
6. **Re-payment:** Our Company may repay all amounts of the credit facilities together with interest at the rate as agreed in the terms.
7. **Events of Default:** Borrowing arrangements entered into by our Company contain standard events of default, including among others:
 - a) failure or inability to pay loan amounts on due dates;
 - b) providing incorrect or misleading information;
 - c) winding up or dissolution of our Company;
 - d) reorganisation of our Company; and
 - e) failure to perform any obligation or commitment, any breach of any of the terms, representations, warranties, covenants and conditions in terms of the loan documents.

This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by our Company.

8. **Consequences of occurrence of events of default:** In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:
 - a) terminate and cancel either whole or part of the facility;
 - b) sell and/or auction the movable property (such as vehicles);

- c) have right to appoint a nominee director on the Board anytime to oversee the functioning of our Company and to look after the interest of such lender; and
 - d) suspend further access/ drawals, either in whole or in part, of the facility.
9. **Restrictive Covenants:** The facilities sanctioned to our Company contain certain restrictive covenants, including, among others:
- a) change in capital structure of our Company;
 - b) formulation of schemes of amalgamation or reconstruction or capital expenditure;
 - c) change in management;
 - d) sale or disposal of or creation of security or encumbrance on the assets charged to the lender in favour of any other bank, financial institution, company and/or individual; and
 - e) undertaking guarantee obligations on behalf of any other company/person.

This is an indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company.

For the purpose of the Offer, our Company has obtained necessary consents from our lenders as required under the relevant borrowing arrangements for undertaking activities relating to the Offer.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes (in a consolidated manner); and (iv) other pending litigation as determined to be material as per the materiality policy adopted pursuant to the Board resolution dated January 23, 2021, in each case involving our Company, its Subsidiary, Promoters, employees (in their capacity as employees of our Company) and Directors (“**Relevant Parties**”). Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five financial years including any outstanding action.*

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to the Board resolution dated January 23, 2021.

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including any outstanding action and tax matters (direct or indirect), would be considered ‘material’ if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of Profit After Tax of our Company for the last completed Fiscal as per the Restated Financial Information i.e. 1% of the restated Profit After Tax of our Company for the Fiscal 2020 (i.e. ₹7.06 million); or (ii) where monetary liability is not quantifiable, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of our Company.

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action), have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has pursuant to the Board resolution dated January 23, 2021, considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having a monetary value which exceeds 5% of the trade payables of our Company excluding lenders and depositors of our Company based on the Restated Financial Information of our Company as at September 30, 2020, disclosed in the Draft Red Herring Prospectus, shall be considered as ‘material’. Accordingly, as on September 30, 2020, any outstanding dues exceeding ₹56.06 million have been considered as material outstanding dues for the purposes of disclosure in this section.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.

Litigation involving our Company

Litigation against our Company

Criminal Litigation

1. A complaint bearing number RCC 214 of 2019 has been filed by the Government of Maharashtra, represented by the Insecticide Inspector and Agriculture Officer, Nandgaon, Nashik, Maharashtra (“**Inspector**”) before the Court of Chief Judicial Magistrate (First Class), Nandgaon, Maharashtra, against our Company, our employee Sachin Nimba Kakuste and others (“**Accused**”) in connection with alleged misbranding of certain of our insecticide products. The Inspector had collected certain samples of our insecticides products from the premises of our sellers, M/s. Dadaji Dashrath Aaher for analysis under the applicable provisions of the Insecticides Act, to ascertain the quality of such insecticide. Subsequently, in terms of the report dated November 19, 2018 issued by the Insecticide Testing Laboratory, Thane, it was alleged that the contents of the insecticides were not as per the claims provided on the container of the insecticide and hence the insecticide was treated as misbranded in terms of section 3(k)(i) of the Insecticides Act and the Accused are liable to be punished under Sections 29(1)(a) and 29(3) of the Insecticides Act. The matter is currently pending.
2. A notice dated December 18, 2014 has been issued by the Insecticide Inspector & Technical Officer, Subdivisional Agriculture Office, Kalwan, Government of Maharashtra (“**Inspector**”) to our Company (“**Notice**”) in connection with alleged misbranding of certain of our insecticide products. The Inspector had collected certain samples of our insecticides products from the premises of our sellers, M/s. Patil and Sons, Nashik for analysis under the applicable provisions of the Insecticides Act, to ascertain the quality of the insecticide. Subsequently, in terms of the report dated October 20, 2014, issued by the Insecticide Testing Laboratory, Thane, it was alleged that the contents of the insecticides were not as per the claims provided on the container of the insecticide and hence the insecticide was treated as misbranded in terms of section

3(k)(i) of the Insecticides Act. A complaint bearing number SCN 617 of 2015 has also been filed before the Court of Judicial Magistrate (Class I), Kalwan, Nashik, Maharashtra (“**Court**”) pursuant to which the Inspector (representing the Government of Maharashtra) has *inter alia* prayed before the Court that the Company and M/s. Patil and Sons, Nashik have committed an offence under the provisions of the Insecticides Act and hence the accused may be punished under Section 29 of the Insecticides Act read with Section 34 of the Indian Penal Code, 1860. The matter is currently pending.

3. A complaint bearing number COMA/315/2018 has been filed by the State of Punjab through the Inspector of Insecticides, Rampura, Phul, Punjab (together the “**Complainant**”) before the court of the Sub Judicial Divisional Magistrate, Phul, Bhatinda, against our Company, through our Director, Rajendra Singh Sharma, our sellers, M/s. Pankaj Sales Corporation and others. Pursuant to this complaint, the Complainant has alleged, *inter alia*, misbranding of our insecticide products in contravention of the Insecticides Act. The Complainant has further alleged that the product was not as per the standards laid down by the Indian Standards Institution and that our Director, Rajendra Singh Sharma was not in compliance with the terms of the Insecticides Act and is liable to be punished under Section 29 of the Insecticides Act. Further, pursuant to a letter dated December 1, 2017, our Company had also responded to the allegations of misbranding and had stated that the quality of the insecticide products were satisfactory in terms of the tests conducted by our Company. Subsequently, our Director Rajendra Singh Sharma has also filed a petition dated December 20, 2018 under section 482 of the Code of Criminal Procedure, 1973, before the High Court of Punjab and Haryana to quash the above. The matter is pending.
4. A complaint bearing number 245/2019 has been filed by the State of Punjab through the Insecticide Inspector, Bathinda, Punjab (the “**Complainant**”) before the Sub Judicial Magistrate, Phul, against our Company, our Director, Rajendra Singh Sharma, our sellers, M/s. Friends Pesticides and others (collectively “**Accused**”). The Insecticide Inspector, Phul had collected certain samples of our insecticide products from the premises of our sellers, M/s. Friends Pesticides. Subsequently, in terms of the test report dated September 26, 2016, issued by the Senior Analyst, Insecticide Testing Laboratory, Bathinda it was alleged that the contents of the insecticides did not conform to the required standards and in terms of the complaint, the product was allegedly treated as misbranded in terms of section 3(k)(i) of the Insecticides Act and in violation of sections 3(k), 17, 18 and 33 of the Insecticides Act. Pursuant to this, the Chief Agriculture Officer issued a show cause notice dated October 18, 2016 against our Company. Our Company, pursuant to a letter dated October 24, 2016 had responded to the allegations of misbranding stating that the products are of the required and necessary standards. The matter is currently pending.
5. A complaint bearing number COMA-Complaint Act 6733/ 2018 has been filed by State of Punjab through the Inspector of Insecticides, Goniana Mandi (the “**Complainant**”) before the Sub Divisional Judicial Magistrate, Bathinda, against our Company, our Director, Rajendra Singh Sharma, our seller, M/s. Jai Durga Trading Company and others (“**Accused**”). The Inspector of Insecticides, Goniana had collected certain samples of our insecticides products from the premises of Jai Durga Trading Company. Subsequently, in terms of the letter dated July 19, 2016, issued by the Senior Analyst, Insecticide Testing Laboratory, Ludhiana, it was alleged that the contents of the insecticides did not conform to the required standards and the insecticide was allegedly treated as misbranded in terms of section 3(k)(i) of the Insecticides Act, in violation of sections 3(k), 17, 18, 29 and 33 of the Insecticides Act. Pursuant to this, the Inspector of Insecticides, Goniana issued a show cause notice dated August 31, 2016, against our Company. Our Company, pursuant to a letter dated September 10, 2016, has responded to the allegations of misbranding stating that the products are of satisfactory standards. The matter is currently pending.
6. A complaint bearing number 782/2015 has been filed by the Insecticides Inspector and Agricultural Officer (P.P.), Bikaner (“**Complainant**”) before the Judicial Magistrate First Class and Civil Judge Junior Division, Bikaner against our Company, our Director Rajendra Singh Sharma, our sellers Binnani Agencies and others. Pursuant to this complaint, the Complainant has alleged that our Company has produced non-standard insecticide products in terms of section 3(k)(i) of the Insecticides Act, violating sections 3(k), 17, 18, 29 and 33 of the Insecticides Act. The matter is currently pending.
7. A criminal complaint bearing number 1459/2017 (“**Complaint**”) has been filed by the Department of Agriculture, Government of Jammu and Kashmir acting through the District Law Enforcement Officer, Kulgam, Jammu and Kashmir (“**Complainant**”) before the Chief Judicial Magistrate, against our Director, Rajendra Singh Sharma, R.P Singh (representing our Company) and others (“**Accused**”). The Complainant had issued a show cause notice dated December 13, 2016 in relation the certain samples of our insecticide named ‘Takatvar’ collected by the Complainant, from the premises of our sellers, M/s. Baghdad Pesticides. In terms of the letter dated November 21, 2016, issued by the Regional Pesticide Testing Laboratory, Chandigarh, it was alleged that the contents of the insecticides did not conform to the required standards and in terms of the Complaint it was allegedly treated as misbranded pursuant to section 3(k)(i) read with section 29(1)(a) of the Insecticides Act. The matter is currently pending.
8. A complaint bearing number Com.Case 20044/2014 has been filed by the Agricultural Department, Government of Jammu and Kashmir (“**Complainant**”) before the Court of Chief Judicial Magistrate, Anantnag, against our seller Faruk Ahmed and our Director, Rajendra Singh Sharma (in his capacity as a Director of our Company). Pursuant to this complaint the Complainant has alleged that our product ‘IPL Ziram 80’ is misbranded and that the seller has committed an offence under Section 3(k) read with Section 29(1)(a) of the Insecticides Act. The matter is currently pending.

Actions Taken by Regulatory and Statutory Authorities

1. The Presiding Officer, Labour Court, Lucknow ("**Labour Court**") has issued a notice dated September 7, 1998 summoning our Company, asking for reasons whether the termination of one of the sales executive, Rakesh Chandra Tiwari, was in accordance with the procedures established by law. Pursuant to a written statement filed by our Company, our Company has stated that the Labour Court has no jurisdiction over the current matter since the current matter is not a valid industrial dispute. The matter is currently pending.
2. The Uttar Pradesh Pollution Control Board, Lucknow ("**UPPCB**") has issued a notice dated August 18, 2020 to our Company. The notice states that the Central Pollution Control Board ("**CPCB**") had prepared a detailed project report for remediation of a contaminated site and ground water, on account of alleged disposal of industry generated pesticides waste from our facilities at Dewa Road, affecting the soil and groundwater quality of the surrounding areas. The UPPCB has, *inter alia*, directed our Company to conduct a detailed survey of certain sites where dumping was being allegedly carried out, including an analysis of the soil and ground-water samples, through by a reputed institute, in which the quantity of various pesticides should be mentioned specifically and submit an detailed project report within a specified time period for approval of the UPPCB and CPCB. The UPPCB has further directed our Company to submit a time-bound program based on such approved detailed project report for remediation of polluted soil and ground water of the areas in question, and to maintain necessary amounts for the expenditure to be incurred annually towards such purpose in a separate escrow account.
3. A case bearing number ECA 29/2019 has been filed by Sanwali and others ("**Petitioners**") before the Court of Employee Compensation Commissioner, 1923/ Assistant Labour Commissioner, Shahjahanpur ("**Commissioner**"). In terms of the case, one Shubham ("**Deceased**") was allegedly murdered in the factory premises of our Company. Since, the Deceased died in the factory premises of our Company and was on duty at the time of the death, the Petitioners have sought a compensation of ₹0.90 million with an annual interest rate of 7% under the applicable provisions of the Employee's Compensation Act, 1923. Subsequently, our Company has filed an application for disposal of the case on grounds that the Commissioner has no jurisdiction to hear the matter. The Commissioner has issued summons dated September 23, 2020, to our Company for a hearing. The matter is currently pending.
4. Our Company and our vendor Perfect Agro Enterprises, Solapur ("**PAE**") have received a show cause notice from the Quality Control Inspector Panchayat Samiti, Malashiras ("**Inspector**") dated January 21, 2019 ("**Notice**"). In terms of the Notice, the Inspector has alleged that the pesticide 'Imidacloprid 30.5%' at PAE's sales centre at Solapur, was unverified in terms of the report issued by the Government Analysis Laboratory, Pune ("**Report**"), and had sought certain other information, including an explanation as to why action should not be taken under Pesticide Control Order, 1986. Our Company, pursuant to a reply letter dated August 17, 2018 has responded to the Notice stating that our Company follows the prescribed specifications for manufacturing any of the products and the difference of purity in terms of the Report, could be due to the difference in the laboratory equipment/ apparatus or due to the difference in the quality of reference standards. Our Company has not received any further communication after the said Notice. The matter is currently pending.
5. Our Company has received two notices from the Uttar Pradesh Pollution Control Board ("**UPPCB**") dated August 31, 2019 ("**Notice 1**") and October 3, 2019 ("**Notice 2**"), respectively. Pursuant to Notice 1, our Company, in terms of section 5 of the Environment Protection Act, 1986, was ordered to close down the Dewa Road facility on account of *inter alia* hazardous waste originating from our facilities at Dewa Road facility, which endangered the lives of animals and non-compliance with the requirements of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended. Subsequently, the UPPCB issued the Notice 2 stating the closure order issued in terms of the Notice 1 has been disposed of with, *inter alia*, the following conditions (i) submission of bank guarantee of ₹0.20 million by the Company; (ii) dismantling of hume pipes passing through the yard of the industry within a period of one month from the date of Notice 1; (iii) strengthening the zero discharge disposal system in the industry; (iv) obtaining authorisation from the UPPCB under the provisions of the Hazardous and Other Waste (Management and Trans-Boundary Movement Rules, 2016, etc. Our Company has not received any subsequent notice.

Litigation by our Company

Criminal Litigation

1. There are 48 cases filed by our Company pending before various fora for alleged violation of section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to our Company for which cheques issued in favour of our Company by our clients/debtors have been dishonoured. The total pecuniary value involved in all these matters is ₹21.69 million. The matters are currently pending.
2. A criminal revision petition bearing number 714 of 2019 ("**CRP**") has been filed by our Company, before the Court of District & Sessions Judge, Lucknow ("**Court**") against the State of Uttar Pradesh and another. Our Company had filed an FIR bearing number 0595 dated December 6, 2018 under section 420 of the Indian Penal Code, 1860 and sections 66 and 67 of the Information Technology (Amendment) Act, 2008 and a subsequent miscellaneous application dated January 22, 2019 ("**Application**") before the Special Chief Judicial Magistrate (Customs) Lucknow, alleging that some unknown individual had hacked the email IDs of Bharat Organics Limited (supplier of our Company) and had asked our Company to make certain payments to a tune of ₹0.63 million, to such individual's account, fraudulently represented as the account

of Bharat Organics Limited, which the Company made. The Application was rejected by the Special Chief Judicial Magistrate (Customs) Lucknow. In terms of the CRP, our Company has stated that the order passed by the Special Chief Judicial Magistrate (Customs) Lucknow dated September 3, 2019, was illegal and arbitrary. The matter is currently pending.

Civil Litigation

Nil

Litigation involving our Promoters

Nil

Litigation involving our Directors

Litigations against our Directors

Criminal Litigation

1. For details in relation to complaint bearing number Com.Case 20044/2014, involving our Director, Rajendra Singh Sharma, please see “-Litigation involving our Company – Litigation against our Company – Criminal litigations” on page 264.
2. For details in relation to complaint bearing number 245/2019, involving our Director, Rajendra Singh Sharma, please see “-Litigation involving our Company – Litigation against our Company – Criminal litigations” on page 264.
3. For details in relation to COMA-Complaint Act 6733/ 2018, involving our Director, Rajendra Singh Sharma, please see “-Litigation involving our Company – Litigation against our Company – Criminal litigations” on page 264.
4. For details in relation to complaint bearing number COMA/315/2018, involving our Director, Rajendra Singh Sharma, please see “-Litigation involving our Company – Litigation against our Company – Criminal litigations” on page 264.
5. For details in relation to petition bearing number 1459/2017, involving our Director, Rajendra Singh Sharma, please see “-Litigation involving our Company – Litigation against our Company – Criminal litigations” on page 264.
6. For details in relation to petition bearing number Com.Case 782/2015, involving our Director, Rajendra Singh Sharma, please see “-Litigation involving our Company – Litigation against our Company – Criminal litigations” on page 264.

Other litigation which may have an impact on our Company

1. One of our former directors, Ashok Kumar Gupta was arrested in connection with criminal proceedings under sections 120-B, 201, 278 and 304 of the Indian Penal Code, 1860 arising out of an FIR filed against certain third parties. In terms of the petition, there was an alleged discharge of poisonous chemicals from a tanker allegedly procured by the third party from our Company which allegedly resulted in the death of seven persons working in a nearby factory and four dogs. Subsequently, the former director, Ashok Kumar Gupta was arrested on February 8, 2020 and in terms of the order dated July 8, 2020 has been granted bail by the High Court of Allahabad. The matter is currently pending. For further information see Risk Factors – *Our operations are subject to environmental and workers’ health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations,* on page 34.

Litigation involving our Subsidiary

Nil

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Directors and Promoters.

Nature of case	Number of cases	Amount involved (in ₹ million)
<i>Litigation involving our Company</i>		
Direct Tax	Nil	Nil
Indirect Tax	2	6.31
<i>Litigation involving our Subsidiary</i>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Nature of case	Number of cases	Amount involved (in ₹ million)
Litigation involving the Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Litigations involving the Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Outstanding dues to Creditors

As of September 30, 2020, our Company has 910 creditors, and the aggregate outstanding dues to these creditors by our Company are ₹1,071.28 million. Further, our Company owes an amount of ₹50.01 million to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As per the materiality policy, creditors of our Company to whom an amount having a monetary value which exceeds 5% of the total trade payables of our Company as of September 30, 2020, as disclosed in the Draft Red Herring Prospectus, shall be considered as 'material' i.e., creditors of our Company to whom our Company owes an amount exceeding ₹56.06 million have been considered material. As of September 30, 2020, there is one material creditor to whom our Company owes an aggregate amount of ₹93.04 million.

Details of outstanding dues owed to material creditors, MSMEs and other creditors as of September 30, 2020 are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	31	50.01
Material Creditors	1	93.04
Other Creditors	909	978.24
Total Outstanding Dues	941	1,121.29

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at <http://www.indiapesticideslimited.com/list-of-creditors/>.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Material Developments

Other than as stated in "Management's Discussion And Analysis of Financial Condition And Results Of Operations" on page 234, there have not arisen, since the date of the last financial statement disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company and our Subsidiary which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake the Offer and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company and our Subsidiary will make applications to the appropriate authorities for renewal of such key approvals, as necessary. For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 151.

A. Our Company

I. Incorporation details

1. Certificate of incorporation dated December 13, 1984 issued to our Company, under the name India Pesticides Private Limited by the RoC.
2. Certificate of incorporation dated December 13, 1984 issued to our Company, as modified by the RoC noting the removal of the word “private” from the name of our Company, upon our Company becoming a deemed public company under Section 43A(1A) of the Companies Act, 1956, with effect from March 31, 1993.
3. Fresh certificate of incorporation dated April 24, 2003 issued by the RoC, consequent upon conversion of our Company into a public limited company.
4. The CIN of our Company is U24112UP1984PLC006894.

II. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures - Authority for the Offer*” on page 272.

III. Key approvals in relation to our Company

1. Approvals in relation to our Company’s manufacturing facilities and business operations

Approvals, as applicable, in relation to our manufacturing facilities located at (a) Dewa Road, Chinchhat, Lucknow, Uttar Pradesh, India and/ or (b) Sandila, Hardoi, Uttar Pradesh, India:

- a) Consent to operate issued by the Uttar Pradesh Pollution Control Board under the Water Act and Air Act;
- b) Certificate of registration issued by the Uttar Pradesh Pollution Control Board under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
- c) License to work a factory issued by the Director of Factories, Labour Department, Uttar Pradesh under the Factories Act, 1948;
- d) License issued by Licencing Authority, Plant Protection Section, the Department of Agriculture, Uttar Pradesh, to manufacture insecticides under the Insecticides Act, 1968 and the Insecticides Rules, 1971;
- e) Registrations of our products with the CIBRC under the Insecticides Act, 1968 and the Insecticides Rules, 1971;
- f) Environmental clearance from Ministry of Environment, Forest and Climate Change, Government of India for expansion at the Sandila Facility;
- g) No objection certification for abstraction of groundwater from Central Ground Water Authority, Ministry of Water Resources, River Development & Ganga Rejuvenation, Government of India, for expansion at the Sandila Facility;
- h) Licenses for import and storage of petroleum issued by the Controller of Explosives, Petroleum & Explosives Safety Organisation, Ministry of Commerce and Industry, Government of India, under the Petroleum Act, 1934 and the Petroleum Rules, 2002;
- i) Licenses for the storage of compressed gas (chlorine) in cylinders issued by the Controller of Explosives, Petroleum & Explosives Safety Organisation, Ministry of Commerce and Industry, Government of India, under the Explosives Act, 1884 and the Gas Cylinders Rules, 2004;

- j) Registration cum membership certificate issued by the Basic Chemicals, Cosmetics & Dyes Export Promotion Council, Ministry of Commerce and Industry, Government of India;
- k) Certificates issued by the Director of Boilers, Uttar Pradesh Boiler Inspection Department under the Indian Boilers Act, 1923 for use of boiler and certificate of competency issued by designated authorities under the Boiler Attendants' Rule, 2011 to operate the boilers;
- l) License issued by the Bureau of Indian Standards, Lucknow under the Bureau of Indian Standards Act, 2016, for certification of marks, in relation to the Dewa Road facility;
- m) License issued by the Drug Licensing and Controlling Authority, Uttar Pradesh to manufacture for sale of drugs, in relation to the Dewa Road Facility;
- n) No objection certification from the relevant fire and emergency authorities in the state of Uttar Pradesh;
- o) Certificate issued by the Office of the Controller Legal Metrology, Government of Uttar Pradesh in relation to weights and measurements;
- p) Consent to operate diesel generator sets issued by the Uttar Pradesh State Pollution Control Board under the Air Act.

2. Foreign trade related approvals

Our Company has obtained an importer exporter code bearing number 0688001734 from the Office of Joint Director General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India.

3. Tax related approvals

- a) The permanent account number of our Company is AAACI359ID;
- b) The tax deduction account number of our Company is LKNI00825G;
- c) The tax payer identification number of our Company is 09107500305C;
- d) Registration certificate issued under Uttar Pradesh VAT Rules, 2008;
- e) Professional tax registration certificates issued under the Karnataka Tax on Professions, Trading, Callings and Employment Act, 1976 and the Maharashtra State Tax on Professions, Trading, Callings and Employment Act, 1976;
- f) Registration of R&D unit as a research institution for purpose of availing customs duty exemption with the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India; and
- g) Goods and services tax registration numbers of our Company, for the states where we have business operations, are as follows:

State	Registration number
Andhra Pradesh	37AAACI3591D2ZO
Bihar	10AAACI3591D1Z5
Chhattisgarh	22AAACI3591D1Z0
Delhi	07AAACI3591D2ZR
Gujarat	24AAACI3591D1ZW
Haryana	06AAACI3591D1ZU
Karnataka	29AAACI3591D1ZM
Madhya Pradesh	23AAACI3591D1ZY
Maharashtra	27AAACI3591D1ZQ
Odisha	21AAACI3591D1Z2
Punjab	03AAACI3591D1Z0
Rajasthan	08AAACI3591D1ZQ
Telangana	36AAACI3591D1ZR
Uttar Pradesh	09AAACI3591D1ZO
Uttarakhand	05AAACI3591D1ZW
West Bengal	19AAACI3591D1ZN

4. Labour related approvals

Our Company has obtained registrations under various employee and labour related laws including:

- a) the Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- b) the Contract Labour (Regulations and Abolition Act), 1970 for the Sandila facility;
- c) the Payment of Gratuity Act, 1972;
- d) the Employees State Insurance Act, 1948 and;
- e) the relevant shops and establishment legislations.

5. Intellectual property

Our Company has six registered trademarks under the Trademarks Act, 1999. Further, our trademark application for the trademarks 'ZIRAM80', 'IPL 505' and 'IPL TARA' has been opposed and 'IPL' word mark is yet to be registered. For further information, see "*Our Business*" on page 134.

IV. Renewals applied for but not received

1. Application for renewal of no objection certificate for abstraction of ground water for the Dewa Road Facility (Unit - 1 and Unit - 2);
2. Application for the renewal for the certificate issued under the Contract Labour (Regulations and Abolition Act), 1970, for the Dewa Road Facility.
3. Application for the registration of certain of our products with the CIBRC under the Insecticides Act, 1968 and the Insecticides Rules, 1971.

V. Approvals not applied for

1. Registration certificate issued under the Legal Metrology (Packaged Commodities) Rules, 2011, as amended;
2. Professional tax registration certificates issued under relevant State professional tax laws, for 10 states where the company has its sales depots;
3. Shops and establishment registrations for the sales depots.

B. Our Subsidiary

1. Certificate of incorporation dated January 18, 2021 issued under the name Shalvis Specialities Limited by the RoC;
2. The CIN number of our Subsidiary, Shalvis Specialities Limited is U24290UP2021PLC140490.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on January 23, 2021 and our Shareholders have approved the Fresh Issue pursuant to a special resolution passed on January 25, 2021. This Draft Red Herring Prospectus has been approved pursuant to a resolution passed by the Board on February 8, 2021.

Each of the Selling Shareholders have, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its portion of Offered Shares. For details, see “*The Offer*” on page 69.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of our Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Each Selling Shareholder, severally and not jointly, confirms that it has not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India.

Directors associated with the Securities Market

Except for Mohan Vasant Tanksale, who is associated with the following entities as director, none of our Directors are associated with securities market related business, in any manner. There have been no outstanding actions initiated by SEBI against our Directors, including Mohan Vasant Tanksale, in the five years preceding the date of this Draft Red Herring Prospectus.

Name of the entity	YES Asset Management (India) Limited	Green Bridge Capital Advisory Private Limited
SEBI registration no.	MF/074/18/02	INM000012430
Category of registration	Asset Management Company for YES Mutual Fund	Merchant Bankers (MB)
Date of expiry of registration	NIL	NA
If registration has expired, reasons for non-renewal	NA	NA
Details of any enquiry/ investigation conducted by the SEBI in the past five years	No	NA
Penalty imposed by the SEBI, if any	NIL	NIL

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, members of our Promoter Group, and each of the Selling Shareholders are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated 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 operating profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Information:

(₹ in million)				
S. No.	Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
A.	Net tangible assets ⁽¹⁾	2,597.23	1,941.52	1,508.66
B.	Monetary assets ⁽²⁾	80.29	28.42	34.88
C.	Monetary assets as a percentage of net tangible assets (B/A)	3.09%	1.46%	2.31%
D.	Net worth ⁽³⁾	2,568.39	1,870.20	1,439.15
E.	Restated pre-tax operating profits ⁽⁴⁾	884.87	613.22	518.88

Notes:

1. "Net tangible assets" means the sum of all the net assets of our Company excluding intangible assets and intangible assets under development and right of use assets reduced by total liabilities excluding deferred tax liability (Net) of our Company.
2. "Monetary assets" means cash and cash equivalents and bank balances other than cash and cash equivalents.
3. "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
4. "Restated pre-tax operating profit" means restated profit before tax excluding other income and finance expense. The average restated operating profit of the Company for the preceding three financial years ended March 31, 2020, 2019 and 2018 is ₹ 672.32 million

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- (i) Our Company, our Promoters, members of our Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;
- (ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- (iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);
- (iv) None of our Promoters or Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
- (v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;
- (vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated February 4, 2020 and June 26, 2020 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;
- (vii) The Equity Shares of our Company held by our Promoters are in the dematerialised form; and
- (viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS

MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED AND JM FINANCIAL LIMITED (“BRLMs”), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 8, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company’s website <http://www.indiapesticideslimited.com/>, or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, Selling Shareholders and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiary, the Selling Shareholders, their respective 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, its Subsidiary, the Selling Shareholders, their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are

authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs” in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in

an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
11. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer for Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered

into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
10. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129 (each, a “**Relevant Member State**”), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- a. to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- b. to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the BRLMs; or
- c. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for our Company or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the BRLMs and our Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same

may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale.

Our Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This Draft Red Herring Prospectus is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129).

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to the Company and the Selling Shareholders as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Bankers to our Company, the BRLMs, Registrar to the Offer, Frost & Sullivan (India) Private Limited, Bagaria & Company Private Limited, Advisor to the Offer; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Expert to the Offer

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

Our Company has received written consent dated February 8, 2021 from Lodha & Co., to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated February 8, 2021 on our Restated Financial Information; and (ii) their report dated February 8, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated December 9, 2020 from Amir Husain Rizvi, Chartered Engineer, as chartered engineer to include their name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated December 9, 2020, on the manufacturing capacity at both the Company’s manufacturing facilities and its utilization at both the manufacturing facilities, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in “*Capital Structure*” on page 85, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Other than the Subsidiary, our Company does not have any subsidiaries.

As of the date of this Draft Red Herring Prospectus, our Company does not have any group company or associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any listed subsidiaries or Promoters.

Price information of past issues handled by the BRLMs

1) Axis Capital Limited

1. Price information of past issues handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Home First Finance Company India Limited	11,537.19	518.00	February 3, 2021	618.80	-	-	-
2	UTI Asset Management Company Limited	21,598.84	554.00	October 12, 2020	500.00	-10.43%, [+5.87%]	-0.60%, [+20.25%]	-
3	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	-
4	Route Mobile Limited	6,000.00	350.00	September 21, 2020	717.00	+105.81%, [+5.74%]	+231.04%, [+22.31%]	-
5	Rossari Biotech Limited	4,962.50	425.00	July 23, 2020	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 [@]	March 16, 2020	661.00	-33.05%, [-2.21%]	-21.79%, [+8.43%]	+12.50%, [+24.65%]
7	CSB Bank Limited	4,096.77	195.00	December 4, 2019	275.00	+8.36%, [+2.03%]	-12.18%, [-7.51%]	-36.95%, [-20.41%]
8	Sterling And Wilson Solar Limited	28,809.42	780.00	August 20, 2019	706.00	-21.88%, [-1.60%]	-48.63%, [+7.97%]	-64.78%, [+9.95%]
9	Spandana Sphoorty Financial Limited	12,009.36	856.00	August 19, 2019	825.00	-0.56%, [-2.14%]	+52.76%, [+7.61%]	+17.32%, [+9.59%]
10	Polycab India Limited	13,452.60	538.00 [^]	April 16, 2019	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:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues handled by Axis Capital Limited

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	-	1	-	-	-	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) JM Financial Limited

1. Price information of past issues handled by JM Financial Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing
1.	Stove Kraft Limited	4,126.25	385.00	February 05, 2021	498.00	Not Applicable	Not Applicable	Not Applicable
2.	Burger King India Limited	8,100.00	60.00	December 14, 2020	112.50	146.50% [7.41%]	Not Applicable	Not Applicable
3.	Equitas Small Finance Bank Limited	5,176.00	33.00	November 02, 2020	31.10	5.45% [12.34%]	19.55% [16.84%]	Not Applicable
4.	UTI Asset Management Company Limited	21,598.84	554.00	October 12, 2020	500.00	-10.43% [5.87%]	-0.60% [20.25%]	Not Applicable
5.	Mazgaon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	18.90% [5.87%]	52.90% [20.25%]	Not Applicable
6.	Prince Pipes and Fittings Limited	5,000.00	178.00	December 30, 2019	160.00	+0.14% [-1.63%]	-44.33% [-29.34%]	-35.00% [-15.28%]
7.	Ujjivan Small Finance Bank Limited ⁷	7,459.46	37.00	December 12, 2019	58.75	+41.08% [+2.38%]	+10.27% [-12.70%]	-16.62% [-15.07%]
8.	Spandana Sphoorty Financial Limited	12,009.36	856.00	August 19, 2019	825.00	-0.56% [-2.14%]	+52.76% [+7.61%]	+17.32% [+9.59%]
9.	Metropolis Healthcare Limited	12,042.88	880.00	April 15, 2019	958.00	+3.75% [-4.01%]	+21.39% [-1.18%]	+45.93% [-3.30%]
10.	Chalet Hotels Limited	16,411.80	280.00	February 7, 2019	294.00	+1.14% [-0.31%]	+24.41% [+3.87%]	+10.77% [-1.87%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

- Opening price information as disclosed on the website of NSE.
- Change in closing price over the issue/offer price as disclosed on NSE.
- Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.
- In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
- 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.
- Restricted to last 10 issues.
- A discount of Rs. 2 per Equity Share was offered to Eligible Ujjivan Financial Services Limited Shareholders bidding in Ujjivan Financial Services Limited Shareholders Reservation Portion
- Not Applicable – Period not completed

2. Summary statement of price information of past issues handled by JM Financial Limited

Financial Year	Total no. of IPOs	Total funds raised (₹)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over	Between	Less than	Over 50%	Between	Less than	Over 50%	Between	Less than	Over 50%	Between	Less than

		Millions)	50%	25% - 50%	25%		25%-50%	25%		25%-50%	25%		25%-50%	25%
2020-2021	5	43,437.95	-	-	1	1	-	2	-	-	-	-	-	-
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1
2018-2019	4	68,856.80	-	-	1	1	-	2	-	1	-	1	-	2

**Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company will obtain 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 estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be five Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Ajeet Pandey, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see “*General Information*” on page 77.

Our Company has constituted a Stakeholders’ Relationship Committee comprising of Anand Swarup Agarwal, Rajendra Singh Sharma and Adesh Kumar Gupta as members. For details, see “*Our Management - Stakeholders’ Relationship Committee*” on page 168.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares issued in the Offer shall be *pari passu* with the existing Equity Shares in all respects including dividends. For further details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 304.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 178 and 304, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹1 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper, Hindi being the regional language of Uttar Pradesh, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer - Offer Expenses*” on page 101.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 304.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated February 4, 2020 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement dated June 26, 2020 amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON	[●] ⁽²⁾

⁽¹⁾ Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

⁽²⁾ Our Company and the Promoter Selling Shareholder in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. 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, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Working Days.

None among our Company and the Selling Shareholders 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; and (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.

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholder in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if

applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable laws, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or 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 our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, the Offered Shares shall be allocated proportionately prior to the Equity Shares offered pursuant to the Fresh Issue.

Each Selling Shareholder shall reimburse, in proportion to the respective portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 85 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 304.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹1 per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹8,000 million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,000 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹7,000 million, comprising of up to [●] Equity Shares aggregating up to ₹2,814 million by the Promoter Selling Shareholder and up to [●] Equity Shares aggregating up to ₹4,186 million by the Other Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs consider a Pre-IPO Placement by our Company of an aggregate amount not exceeding ₹750 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation ⁽²⁾	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, “Offer Procedure” on page 291

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	Anchor Investor Allocation Price		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share		
Trading Lot	One Equity Share		
Who can apply ⁽³⁾⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽⁴⁾ In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism (for Retail Individual Bidders) 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).		

* Assuming full subscription in the Offer

- (1) Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 288.
- (2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.

- (4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “*Terms of the Offer*” on page 284.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. 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 and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Promoter Selling Shareholder, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date and (xii) interest in case of delay in allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

*Excluding electronic Bid cum Application Forms

Notes:

- (1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)
- (2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any “person related to our Promoters/ Promoter Group” shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to our Promoters/ Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with our Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

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

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and Promoter Selling Shareholder, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry

specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 303. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 74% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only

by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as “**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (“**SEBI VCF Regulations**”) as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended (“**SEBI FVCI Regulations**”) prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and Promoter Selling Shareholder, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company and Promoter Selling Shareholder, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and Promoter Selling Shareholder, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

- (a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and Promoter Selling Shareholder, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and Promoter Selling Shareholder, in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and our Promoter Selling Shareholder in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Promoter Selling Shareholder in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be

attached to the Bid cum Application Form. Failing this, our Company and Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

General Instructions

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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
8. RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
9. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
13. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
16. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the category and the investor status is indicated in the Bid cum Application Form;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
23. Since the Allotment will be in demat form only, ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
24. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
25. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
26. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. 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;
17. 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);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not Bid for Equity Shares in excess of what is specified for each category;
22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
26. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;
27. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;
28. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism);
29. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and
30. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “General Information” on page 77.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English

national daily newspaper, and [●] editions of [●], a Hindi national daily newspaper, Hindi being the regional language of Uttar Pradesh, where our Registered Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- except for the Pre-IPO Placement, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.
- If our Company and the Promoter Selling Shareholder, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Undertakings by each of the Selling Shareholders

Each of the Selling Shareholders undertakes in respect of itself as a selling shareholder and its respective portion of the Equity Shares offered by it in the Offer for Sale that:

- the Equity Shares offered for sale by each of the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialised form at the time of transfer;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and the Promoter Selling Shareholder in consultation with the BRLMs.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

Our Company and each of the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020 consolidated and superseded all previous press notes, press releases, circulars and clarifications on FDI issued by DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

Foreign Exchange Laws

The foreign investment in our Company is governed by *inter alia* the FEMA, as amended, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes.

Our Company is engaged in the manufacturing of agro-chemical Technicals, Formulations and active pharmaceutical ingredients. Currently, foreign direct investment in the manufacturing sector is up to 100% under the automatic route. Foreign direct investment in brownfield pharmaceuticals up to 74% is permitted under the automatic route and beyond 74% is permitted under the government approval route. Further, foreign direct investment in greenfield pharmaceuticals up to 100% is permitted under the automatic route. In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being only offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Authorised Share Capital

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

Alteration of Capital

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

- a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- b. divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;
- c. cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- d. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and
- e. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Allotment of Shares

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person 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 Board of Directors think fit.

Further Issue of Shares

- (1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:
 - (i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;
 - (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice 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 three days before the opening of the issue;
 - (iii) 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 sub-clause (ii) shall contain a statement of this right;

- (iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;
 - (A) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or
 - (B) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above 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 compliance with the applicable conditions of Chapter III of the Act and any other conditions as may be prescribed under the Act and the rules made thereunder;
- (2) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:
- (i) To extend the time within which the offer should be accepted; or
 - (ii) 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 compromised in the renunciation.

- (3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting.

- (4) Notwithstanding anything contained in Article 11(3) hereof, 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 National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

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 and the rules made thereunder.

Company's Lien on Shares/ Debentures

The Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Certificates

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any share or shares held jointly by several

persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary and the common seal it shall be affixed in the presence of the persons required to sign the certificate.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of such fees for each certificate as may be specified by the Board (which fees shall not exceed the maximum amount permitted under the applicable law). Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

Transfer of Shares

- (a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. 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.
- (b) The Board may decline to recognize any instrument of transfer unless-
 - (i) the instrument of transfer is in the form prescribed under the Act;
 - (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (iii) the instrument of transfer is in respect of only one class of shares.
- (c) 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.

Transmission of Shares

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer 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.

Rights on Transmission

A person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of

all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Borrowing Powers

- (a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.
- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.
- (c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
- (d) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

General Meetings

Annual General Meetings

- (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.
- (b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Extraordinary General Meetings

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Extraordinary Meetings on Requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Notice for General Meetings

All General Meetings shall be convened by giving not less than clear twenty one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

Shorter Notice Admissible

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty one (21) days.

Meetings of the Board

- (a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of four (4) months between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.
- (b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.
- (c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.
- (d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Managing Director(s) and/ or Whole Time Directors

- (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.
- (b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.
- (c) In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members.
- (d) If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.
- (e) The managing director and/or whole time director shall not be liable to retirement by rotation as long as he holds office as managing director or whole-time director.

Appointment of Directors

Additional Directors

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

Alternate Directors

- (a) The Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company or holding directorship in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the “Original Director”).

- (b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Appointment Of Director To Fill A Casual Vacancy

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. The director so appointed shall hold office only up to the date which the director in whose place he is appointed would have held office if it had not been vacated.

Vote of Members

Voting Rights of Members

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 holding Equity Shares and present in person shall have one vote.
- (b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up equity share capital.
- (c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Proxy

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

Instrument of Proxy

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Dividend

Company in General Meeting may Declare Dividend

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Interim Dividends

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

Dividends to be Apportioned

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.

Dividends not to bear interest

No dividends shall bear interest against the Company.

Right to Dividend and Unpaid or Unclaimed Dividend

- (a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.
- (b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called “Unpaid Dividend Account of India Pesticides Limited”.
- (c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act.
- (d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Winding Up

Subject to the applicable provisions of the Act—

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
- (d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

Indemnity

Director's and Others' Right to Indemnity

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

Insurance

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 and reasonably.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

- a) Offer Agreement dated February 8, 2021 amongst our Company, the Selling Shareholders and the BRLMs.
- b) Registrar Agreement dated February 8, 2021 amongst our Company, the Selling Shareholders and the Registrar to the Offer.
- c) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).
- d) Share Escrow Agreement dated [●] amongst the Selling Shareholders our Company and the Share Escrow Agent.
- e) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, and Syndicate Members.
- f) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

- a) Certified copies of updated MoA and AoA of our Company, updated from time to time.
- b) Certificate of incorporation dated December 13, 1984 issued to our Company, under the name India Pesticides Private Limited by the RoC.
- c) Certificate of incorporation dated December 13, 1984 issued to our Company, as modified by the RoC noting the removal of the word “private” from the name of our Company, upon our Company becoming a deemed public company under Section 43A(1A) of the Companies Act, 1956, with effect from March 31, 1993.
- d) Fresh certificate of incorporation dated April 24, 2003 issued by the RoC, consequent upon conversion of our Company into a public limited company.
- e) Resolutions of the Board of Directors dated January 23, 2021, authorising the Offer and other related matters.
- f) Shareholders’ resolution dated January 25, 2021, in relation to the Fresh Issue and other related matters.
- g) Resolution of the Board of Directors dated February 8, 2021, approving the DRHP.
- h) Consent letter dated February 8, 2021 provided by Anand Swarup Agarwal, consenting to participate in the Offer for Sale.
- i) Consent letters dated February 8, 2021 provided by each of the Other Selling Shareholders consenting to participate in the Offer for Sale.
- j) Resolutions of the Board and Shareholders dated September 10, 2020 and October 6, 2020, respectively, approving the appointment of Anand Swarup Agarwal as the Chairman and Non-executive Director.
- k) Resolution of the Board dated August 18, 2018 and Shareholders’ resolutions dated September 29, 2018 and December 21, 2020, approving the re-appointment of Rajendra Singh Sharma as the whole-time Director.
- l) Copies of the annual reports of our Company for the Fiscals 2020, 2019 and 2018.
- m) The examination report dated February 8, 2021 of the Statutory Auditors on our Restated Financial Information.

- n) The statement of possible special tax benefits dated February 8, 2021 from the Statutory Auditors.
- o) Consent of the Directors, the Book Running Lead Managers, the Syndicate Members, Legal Counsel to the Company and the Selling Shareholders as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Selling Shareholders, Registrar to the Offer, Advisor to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank, Company Secretary and Compliance Officer as referred to in their specific capacities.
- p) Consent dated February 8, 2021 from Lodha & Co., Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated February 8, 2021 on our Restated Financial Information; and (ii) their report dated February 8, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
- q) Report titled ‘Independent Market Report on Agrochemicals & Pharmaceutical Intermediates’ dated February 2021 issued by Frost & Sullivan (India) Private Limited.
- r) Consent dated February 3, 2021 of Frost & Sullivan (India) Private Limited.
- s) Consent and certificate dated December 9, 2020 from Amir Husain Rizvi, Chartered Engineer, to include his name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013;
- t) Due diligence certificate dated February 8, 2021 addressed to SEBI from the BRLMs.
- u) In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.
- v) SEBI observation letter dated [●].
- w) Tripartite agreement dated February 4, 2020 amongst our Company, NSDL and Registrar to the Offer
- x) Tripartite agreement dated June 26, 2020 amongst our Company, CDSL and Registrar to the Offer.
- y) Deed of guarantee dated April 20, 2013 executed by the Promoter Selling Shareholder, Ram Swarup Cold Storage & Allied Industries and its partners, Sanju Agarwal, Mahendra Swarup Agarwal, Asha Agarwal, Pramod Swarup Agarwal, Saurabh Agarwal and Mahendra Swarup Agarwal, Sanju Agarwal, Sudha Rani Agarwal, Virendra Swarup Agarwal, Asha Agarwal, Snehlata Agarwal and Saurabh Agarwal in favour of Bank of India.
- z) Deed of guarantee dated April 20, 2013 executed by the Promoter Selling Shareholder, Sanju Agarwal, Sudha Rani Agarwal, Virendra Swarup Agarwal, Asha Agarwal, Vishal Swarup Agarwal, Sneh Lata Agarwal, Saurabh Swarup Agarwal, Partners of Ram Swarup Cold Storage & Allied Industries, Mahendra Swarup Agarwal, Sanju Agarwal, Asha Agarwal and Saurabh Swarup Agarwal in favour of Bank of India;
- aa) Deed of guarantee dated April 10, 2014 executed by the Promoter Selling Shareholder, Sanju Agarwal, Sudha Rani Agarwal, Virendra Swarup Agarwal, Asha Agarwal, Vishal Swarup Agarwal, Sneh Lata Agarwal, Saurabh Swarup Agarwal, Mahendra Swarup Agarwal, Asha Agarwal in favour of Bank of India;
- bb) Deed of guarantee dated April 10, 2014 executed by the Promoter Selling Shareholder, Ram Swarup Cold Storage & Allied Industries and its partners, Sanju Agarwal, Mahendra Swarup Agarwal, Asha Agarwal, Saurabh Agarwal and Mahendra Swarup Agarwal, Sanju Agarwal, Sudha Agarwal, Virendra Swarup Agarwal, Asha Agarwal, Snehlata Agarwal, Saurabh Agarwal, Vishal Swarup Agarwal, in favour of Bank of India;
- cc) Deed of guarantee dated September 29, 2015 executed by the Promoter Selling Shareholder, Ram Swarup Cold Storage & Allied Industries and its partners, Sanju Agarwal, Mahendra Swarup Agarwal, Asha Agarwal, Saurabh Agarwal and Mahendra Swarup Agarwal, Sanju Agarwal, Sudha Agarwal, Virendra Swarup Agarwal, Asha Agarwal, Snehlata Agarwal, Saurabh Swarup, Vishal Swarup Agarwal, in favour of Bank of India;
- dd) Deed of guarantee dated September 29, 2015 executed by the Promoter Selling Shareholder, Ram Swarup Cold Storage & Allied Industries and its partners, Sanju Agarwal, Mahendra Swarup Agarwal, Asha Agarwal, Saurabh Agarwal and Mahendra Swarup Agarwal, Sanju Agarwal, Sudha Agarwal, Virendra Swarup

Agarwal, Asha Agarwal, Snehlata Agarwal, Saurabh Agarwal, Vishal Swarup Agarwal, in favour of Bank of India.

- ee) Deed of guarantee dated April 24, 2017 executed by the Promoter Selling Shareholder, Ram Swarup Cold Storage & Allied Industries, Mahender Swarup Agarwal, in favour of Bank of India.
- ff) Deed of guarantee dated March 21, 2020 executed by the Promoter Selling Shareholder, Anand Swarup Agarwal, Sanju Agarwal, Sudharani Agarwal, Virendra Swarup Agarwal, Asha Agarwal, Vishal Swarup Agarwal, Sneh Lata Agarwal, Saurabh Swarup Agarwal and Mahindra Swarup Agarwal on behalf of M/s Ram Swarup Cold Storage & Allied Industries, in favour of Bank of India.
- gg) Deed of guarantee dated May 17, 2016 executed by the Promoter Selling Shareholder, Ram Swarup Cold Storage & Allied Industries and its partners, Sanju Agarwal, Mahendra Swarup Agarwal, Asha Agarwal, Pramod Swarup Agarwal, Saurabh Agarwal and Mahendra Swarup Agarwal, Sanju Agarwal, Sudha Rani Agarwal, Virendra Swarup Agarwal, Asha Agarwal, Snehlata Agarwal and Saurabh Agarwal in favour of Bank of India.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Anand Swarup Agarwal
Chairman and Non-executive Director

Rajendra Singh Sharma
Whole-time Director

Mohan Vasant Tanksale
Independent Director

Madhu Dikshit
Independent Director

Rahul Arun Bagaria
Non-executive Director

Adesh Kumar Gupta
Independent Director

SIGNED BY CHIEF FINANCIAL OFFICER

Satya Prakash Gupta

Place: Lucknow

Date: February 8, 2021

DECLARATION

Each of the Selling Shareholders, acting through the undersigned, confirms and certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Each of the Selling Shareholders assumes no responsibility as a 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 Draft Red Herring Prospectus.

Signed on behalf of each of the Selling Shareholders by Ajeet Pandey as the power of attorney holder for each of the Selling Shareholders

Name: Ajeet Pandey

Date: February 8, 2021

Place: Lucknow